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# SENATE BILL No. 351

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** Numerous provisions throughout the Indiana Code.

**Synopsis:** Property tax limitations and procedures. Establishes a property tax rate control and rate increase program for local units of government, including school corporations, for all funds. Requires taxing units beginning in 2010 to use property tax rates for taxes first due and payable in 2009. Combines the school transportation fund with the school general fund. Separates the rate controls for civil taxing units into four categories: (1) social service funds; (2) bonds and leases paid from a debt service fund; (3) cumulative or capital funds; and (4) all other funds. Exempts the tax levy needed to pay for 1925, 1937, and 1953 pension plans from the controls. Allows increases in the property tax rate over the maximum permissible rate for taxes first due and payable after 2009 only with the approval of the county board of tax and capital projects review ("county board") for all four categories. Provides that the rate is adjusted downward each year using the change in the implicit price deflator for construction costs. Establishes a referendum procedure allowing voters to contest the county board's decision. Requires county board approval of certain bonds and leases that will be paid from a taxing unit's debt service fund. Eliminates department of local government finance (DLGF) review of all cumulative funds, and eliminates DLGF discretion with respect to increasing, decreasing, or modifying a taxing unit's budget. Requires the DLGF to review each taxing unit's budget, tax rate, and tax levy for accuracy. Makes numerous changes to correct references. Repeals obsolete provisions.

**Effective:** July 1, 2008; January 1, 2009.

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## Nugent, Weatherwax

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January 14, 2008, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

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## SENATE BILL No. 351

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 3-11-6-1, AS AMENDED BY P.L.221-2005,  
2 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2009]: Sec. 1. The legislative body of a county may  
4 establish a cumulative fund ~~under IC 6-1.1-41~~ to provide funds for the  
5 purchase of ballot card voting systems or electronic voting systems.

6 SECTION 2. IC 3-11-6-9 IS AMENDED TO READ AS FOLLOWS  
7 [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) To provide for a  
8 cumulative fund, a county may levy a tax ~~in compliance with~~  
9 ~~IC 6-1.1-41~~ on all taxable property within the county. **For property**  
10 **taxes first due and payable before 2010**, the tax may not exceed one  
11 and sixty-seven hundredths cents (\$0.0167) on each one hundred  
12 dollars (\$100) of assessed valuation.

13 **(b) For property taxes first due and payable after 2009, the levy**  
14 **under this subsection is subject to the county's maximum**  
15 **permissible property tax rate under IC 6-1.1-18.5.**

16 SECTION 3. IC 4-10-18-10 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) The state



board of finance may lend money from the fund to entities listed in subsections (e) through (j) for the purposes specified in those subsections.

(b) An entity must apply for the loan before May 1, 1989, in a form approved by the state board of finance. As part of the application, the entity shall submit a plan for its use of the loan proceeds and for the repayment of the loan. Within sixty (60) days after receipt of each application, the board shall meet to consider the application and to review its accuracy and completeness and to determine the need for the loan. The board shall authorize a loan to an entity that makes an application if the board approves its accuracy and completeness and determines that there is a need for the loan and an adequate method of repayment.

(c) The state board of finance shall determine the terms of each loan, which must include the following:

(1) The duration of the loan, which must not exceed twelve (12) years.

(2) The repayment schedule of the loan, which must provide that no payments are due during the first two (2) years of the loan.

(3) A variable rate of interest to be determined by the board and adjusted annually. The interest rate must be the greater of:

(A) five percent (5%); or

(B) two-thirds (2/3) of the interest rate for fifty-two (52) week United States Treasury bills on the anniversary date of the loan, but not to exceed ten percent (10%).

(4) The amount of the loan or loans, which may not exceed the maximum amounts established for the entity by this section.

(5) Any other conditions specified by the board.

(d) An entity may borrow money under this section by adoption of an ordinance or a resolution and, as set forth in IC 5-1-14, may use any source of revenue to repay a loan under this section. This section constitutes complete authority for the entity to borrow from the fund. If an entity described in subsection (i) fails to make any repayments of a loan, the amount payable shall be withheld by the auditor of state from any other money payable to the consolidated city. If any other entity described in this section fails to make any repayments of a loan, the amount payable shall be withheld by the auditor of state from any other money payable to the entity. The amount withheld shall be transferred to the fund to the credit of the entity.

(e) A loan under this section may be made to a city located in a county having a population of more than twenty-four thousand (24,000) but less than twenty-five thousand (25,000) for the city's waterworks

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1 facility. The amount of the loan may not exceed one million six  
2 hundred thousand dollars (\$1,600,000).

3 (f) A loan under this section may be made to a city the territory of  
4 which is included in part within the Lake Michigan corridor (as defined  
5 in IC 14-13-3-2) for a marina development project. As a part of its  
6 application under subsection (b), the city must include the following:

7 (1) Written approval by the Lake Michigan marina development  
8 commission of the project to be funded by the loan proceeds.

9 (2) A written determination by the commission of the amount  
10 needed by the city, for the project and of the amount of the  
11 maximum loan amount under this subsection that should be lent  
12 to the city.

13 The maximum amount of loans available for all cities that are eligible  
14 for a loan under this subsection is eight million six hundred thousand  
15 dollars (\$8,600,000).

16 (g) A loan under this section may be made to a county having a  
17 population of more than one hundred seventy thousand (170,000) but  
18 less than one hundred eighty thousand (180,000) for use by the airport  
19 authority in the county for the construction of runways. The amount of  
20 the loan may not exceed seven million dollars (\$7,000,000). The  
21 county may lend the proceeds of its loan to an airport authority for the  
22 public purpose of fostering economic growth in the county.

23 (h) A loan under this section may be made to a city having a  
24 population of more than fifty-nine thousand (59,000) but less than  
25 fifty-nine thousand seven hundred (59,700) for the construction of  
26 parking facilities. The amount of the loan may not exceed three million  
27 dollars (\$3,000,000).

28 (i) A loan or loans under this section may be made to a consolidated  
29 city, a local public improvement bond bank, or any board, authority, or  
30 commission of the consolidated city, to fund economic development  
31 projects under IC 36-7-15.2-5 or to refund obligations issued to fund  
32 economic development projects. The amount of the loan may not  
33 exceed thirty million dollars (\$30,000,000).

34 (j) A loan under this section may be made to a county having a  
35 population of more than thirteen thousand five hundred (13,500) but  
36 less than fourteen thousand (14,000) for extension of airport runways.  
37 The amount of the loan may not exceed three hundred thousand dollars  
38 (\$300,000).

39 ~~(k) IC 6-1.1-20 does not apply to a loan made by an entity under this~~  
40 ~~section.~~

41 ~~(†)~~ (k) As used in this section, "entity" means a governmental entity  
42 authorized to obtain a loan under subsections (e) through (j).

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SECTION 4. IC 4-33-12-6, AS AMENDED BY P.L.233-2007, SECTION 16, AND AS AMENDED BY P.L.234-2007, SECTION 280, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

- (i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or
- (ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

- (A) embarking on a gambling excursion during the quarter; or
- (B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

- (A) embarking on a gambling excursion during the quarter; or
- (B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

- (A) embarking on a gambling excursion during the quarter; or
- (B) admitted to a riverboat during a quarter that has

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implemented flexible scheduling under IC 4-33-6-21;  
shall be paid to the state fair commission, for use in any activity  
that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the  
admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has  
implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The  
division shall allocate at least twenty-five percent (25%) of the  
funds derived from the admissions tax to the prevention and  
treatment of compulsive gambling.

(6) Except as provided in subsection (k) *and section 7 of this  
chapter*, sixty-five cents (\$0.65) of the admissions tax collected  
by the licensed owner for each person embarking on a gambling  
excursion during the quarter or admitted to a riverboat during the  
quarter that has implemented flexible scheduling under  
IC 4-33-6-21 shall be paid to the Indiana horse racing commission  
to be distributed as follows, in amounts determined by the Indiana  
horse racing commission, for the promotion and operation of  
horse racing in Indiana:

(A) To one (1) or more breed development funds established  
by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse  
racing commission under IC 4-31. The commission may make  
a grant under this clause only for purses, promotions, and  
routine operations of the racetrack. No grants shall be made  
for long term capital investment or construction, and no grants  
shall be made before the racetrack becomes operational and is  
offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in  
a historic hotel district, the treasurer of state shall quarterly pay the  
following amounts:

(1) ~~Twenty-five~~ Twenty-two percent ~~(25%)~~ (22%) of the  
admissions tax collected during the quarter shall be paid to the  
county treasurer of the county in which the riverboat is docked.  
The county treasurer shall distribute the money received under  
this subdivision as follows:

(A) ~~Twenty~~ Twenty-two and seventy-five hundredths percent  
~~(20%)~~ (22.75%) shall be quarterly distributed to the county  
treasurer of a county having a population of more than  
thirty-nine thousand six hundred (39,600) but less than forty

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thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) ~~Twenty~~ Twenty-two and seventy-five hundredths percent ~~(20%)~~ (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) ~~Sixty~~ Fifty-four and five-tenths percent ~~(60%)~~ (54.5%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. ~~The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:~~

~~(i)~~ (2) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

~~(ii)~~ (3) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in

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which the town is located.

~~(2) Sixteen~~ (4) Twenty percent ~~(16%)~~ (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

*The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission. At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.*

~~(3) Nine~~ (5) Ten percent ~~(9%)~~ (10%) of the admissions tax collected during the quarter shall be paid to the *historic hotel preservation Orange County development* commission established under IC 36-7-11.5. *At least one-third (1/3) of the taxes paid to the Orange County development commission under this subdivision must be transferred to the Orange County convention and visitors bureau.*

~~(4) Twenty-five~~ (6) Thirteen percent ~~(25%)~~ (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

~~(5) (7) Twenty-five percent (25%)~~ of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

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(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has

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implemented flexible scheduling under IC 4-33-6-21; shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k) *and section 7 of this chapter*, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through ~~(c)(2)~~, (c)(4), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may ~~not be used to reduce the unit's maximum levy under IC 6-1.1-18.5~~ but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

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(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30,

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2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) ~~exceed~~ exceeds a particular entity's base year revenue; and
  - (2) would otherwise be due to the entity under this section;
- to the property tax replacement fund instead of to the entity.

SECTION 5. IC 4-33-13-5, AS AMENDED BY P.L.233-2007, SECTION 19, AND AS AMENDED BY P.L.234-2007, SECTION 281, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

- (1) The first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).
- (2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:
  - (A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:
    - (i) a city described in IC 4-33-12-6(b)(1)(A); or
    - (ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or
  - (B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).
- (3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax

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1 replacement fund. In each state fiscal year, the treasurer of state  
 2 shall make the transfer required by this subdivision not later than  
 3 the last business day of the month in which the tax revenue is  
 4 remitted to the state for deposit in the state gaming fund.  
 5 However, if tax revenue is received by the state on the last  
 6 business day in a month, the treasurer of state may transfer the tax  
 7 revenue to the property tax replacement fund in the immediately  
 8 following month.

9 (b) This subsection applies only to tax revenue remitted by an  
 10 operating agent operating a riverboat in a historic hotel district. After  
 11 funds are appropriated under section 4 of this chapter, each month the  
 12 treasurer of state shall distribute the tax revenue *deposited in the state*  
 13 *gaming fund remitted by the operating agent* under this chapter as  
 14 follows:

15 (1) Thirty-seven and one-half percent (37.5%) shall be paid to the  
 16 property tax replacement fund established under IC 6-1.1-21.

17 (2) ~~Thirty-seven and one-half~~ Nineteen percent ~~(37.5%)~~ (19%)  
 18 shall be paid to the West Baden Springs historic hotel  
 19 preservation and maintenance fund established by  
 20 IC 36-7-11.5-11(b). However, at any time the balance in that fund  
 21 exceeds twenty million dollars (\$20,000,000), the amount  
 22 described in this subdivision shall be paid to the property tax  
 23 replacement fund established under IC 6-1.1-21.

24 (3) ~~Five Eight~~ percent ~~(5%)~~ (8%) shall be paid to the *historic*  
 25 *hotel preservation Orange County development* commission  
 26 established under IC 36-7-11.5.

27 (4) ~~Ten Sixteen~~ percent ~~(10%)~~ (16%) shall be paid in equal  
 28 amounts to each town that ~~(A)~~ is located in the county in which  
 29 the riverboat docks and ~~(B)~~ contains a historic hotel. ~~The town~~  
 30 ~~council shall appropriate a part of the money received by the~~  
 31 ~~town under this subdivision to the budget of the town's tourism~~  
 32 ~~commission. The following apply to taxes received by a town~~  
 33 ~~under this subdivision:~~

34 (A) At least twenty-five percent (25%) of the taxes must be  
 35 transferred to the school corporation in which the town is  
 36 located.

37 (B) At least twelve and five-tenths percent (12.5%) of the taxes  
 38 must be transferred to the Orange County convention and  
 39 visitors bureau.

40 (5) ~~Ten Nine~~ percent ~~(10%)~~ (9%) shall be paid to the county  
 41 treasurer of the county in which the riverboat is docked. The  
 42 county treasurer shall distribute the money received under this

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subdivision as follows:

(A) ~~Twenty~~ *Twenty-two and twenty-five hundredths* percent ~~(20%)~~ (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) ~~Twenty~~ *Twenty-two and twenty-five hundredths* percent ~~(20%)~~ (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) ~~Sixty~~ *Fifty-five and five-tenths* percent ~~(60%)~~ (55.5%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. ~~The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:~~

~~(i)~~ (6) Five percent (5%) shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). *At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.*

~~(ii)~~ (7) Five percent (5%) shall be paid to a town having a population of more than three thousand five hundred (3,500)

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located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). *At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.*

*(8) Five-tenths percent (0.5%) shall be paid to the Orange County convention and visitors bureau.*

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a

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riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year. ~~(a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5);~~

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year. ~~or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5;~~

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. *Except as provided in subsection (i), the amount of ~~the~~ an entity's supplemental distribution is equal to:*

(1) the entity's base year revenue (as determined under

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IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

*(i) This subsection applies only to the Indiana horse racing commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).*

SECTION 6. IC 4-33-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) Money paid to a unit of local government under this chapter:

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's ~~maximum~~ or actual levy; ~~under IC 6-1.1-18.5;~~ and

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(b) This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

SECTION 7. IC 5-1-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Any bonds, notes, or warrants, whether payable from property taxes, revenues, or any other source, are not subject to the maximum interest rate limitations contained in any law enacted before December 31, 1982, if they are issued by or in the name of any entity named in IC 5-1-1-1.

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(b) After July 1, 1979, any bond, coupon, certificate of indebtedness, or installment payment payable by a city, town, or property holder for public improvements under the Barrett Law is not subject to any maximum interest rate limitation. This subsection does not apply to interest rates or penalties on delinquencies provided under the Barrett Law.

~~(c) This section does not limit an interest rate review conducted by the department of local government finance under IC 6-1.1-20-7.~~

SECTION 8. IC 5-1-16-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 42. (a) When the authority, the board of trustees or board of managers of the hospital, the board of commissioners of the county, and a majority of the county council have agreed upon the terms and conditions of any lease proposed to be entered into under section 38 or 39 of this chapter, and before the final execution of the lease, the county auditor shall give notice by publication of a public hearing to be held in the county by the board of commissioners. The hearing shall take place on a day not earlier than ten (10) days after the publication of the notice. The notice of the hearing shall be published one (1) time in a newspaper of general circulation printed in the English language and published in the county. The notice shall do the following:

- (1) Name the day, place, and hour of the hearing.
- (2) Set forth a brief summary of the principal terms of the lease agreed upon, including the character and location of the property to be leased, the lease rental to be paid, and the number of years the contract is to be in effect.
- (3) State a location where the proposed lease, drawings, plans, specifications, and estimates may be examined.

The proposed lease and the drawings, plans, specifications, and estimates of construction cost for the building shall be open to inspection by the public during the ten (10) day period and at the hearing. All interested persons shall have a right to be heard at the hearing on the necessity for the execution of the lease and whether the lease rental under the lease is fair and reasonable. The hearing may be adjourned to a later date with the place of the hearing fixed prior to adjournment. Following the hearing, the board of commissioners may either authorize the execution of the lease as originally agreed upon or may make modifications that are agreed upon by the authority, the board of trustees or board of managers of the hospital, and the county council. The authorization shall be by an order that is entered in the official records of the board of commissioners. The lease contract shall be executed on behalf of the county by the board of commissioners.

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(b) If the execution of the lease as originally agreed upon or as modified by agreement is authorized, notice of the signing of the lease shall be given on behalf of the county by publication one (1) time in a newspaper of general circulation printed in the English language and published in the county. Except as provided in subsection (d), ten (10) or more taxpayers in the county whose tax rate will be affected by the proposed lease and who may be of the opinion that no necessity exists for the execution of the lease or that the lease rental under the lease is not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the execution of the lease that sets forth the taxpayers' objections and facts supporting those objections. Upon the filing of a petition, the county auditor shall immediately certify a copy of the petition together with such other data as may be necessary in order to present the questions involved to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place in the affected county for the hearing of the matter that is not less than five (5) or more than fifteen (15) days after receipt. Notice of the hearing shall be given by the department of local government finance to the board of county commissioners and to the first ten (10) taxpayer petitioners upon the petition by certified mail sent to the addresses listed on the petition at least five (5) days before the date of the hearing.

(c) ~~(b)~~ No action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease shall be instituted at any time later than thirty (30) days after publication of notice of the execution of the lease, or if an appeal has been taken to the department of local government finance, **a remonstrance petition is filed under IC 6-1.1-17.5-16**, then within thirty (30) days after the decision of the department. **deadline for filing a counterpetition under IC 6-1.1-17.5-17.**

~~(d)~~ The authority for taxpayers to object to a proposed lease under subsection (b) does not apply if the authority complies with the procedures for the issuance of bonds and other evidences of indebtedness described in IC 6-1.1-20-3.1 and IC 6-1.1-20-3.2.

SECTION 9. IC 5-3-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) This section applies only when notice of an event is required to be given by publication in accordance with ~~IC 5-3-1~~. **this chapter.**

(b) If the event is a public hearing or meeting concerning any matter not specifically mentioned in subsection (c), (d), (e), (f), ~~or (g), or (h)~~ notice shall be published one (1) time, at least ten (10) days before the

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1 date of the hearing or meeting.

2 (c) If the event is an election, notice shall be published one (1) time,  
3 at least ten (10) days before the date of the election.

4 (d) If the event is a sale of bonds, notes, or warrants, notice shall be  
5 published two (2) times, at least one (1) week apart, with:

6 (1) the first publication made at least fifteen (15) days before the  
7 date of the sale; and

8 (2) the second publication made at least three (3) days before the  
9 date of the sale.

10 (e) If the event is the receiving of bids, notice shall be published two  
11 (2) times, at least one (1) week apart, with the second publication made  
12 at least seven (7) days before the date the bids will be received.

13 (f) If the event is the establishment of a cumulative or sinking fund,  
14 notice of the proposal and of the public hearing that is required to be  
15 held by the political subdivision shall be published two (2) times, at  
16 least one (1) week apart, with the second publication made at least  
17 three (3) days before the date of the hearing.

18 ~~(g)~~ If the event is the submission of a proposal adopted by a political  
19 subdivision for a cumulative or sinking fund for the approval of the  
20 department of local government finance, the notice of the submission  
21 shall be published one (1) time. The political subdivision shall publish  
22 the notice when directed to do so by the department of local  
23 government finance.

24 ~~(h)~~ (g) If the event is the required publication of an ordinance,  
25 notice of the passage of the ordinance shall be published one (1) time  
26 within thirty (30) days after the passage of the ordinance.

27 ~~(i)~~ (h) If the event is one about which notice is required to be  
28 published after the event, notice shall be published one (1) time within  
29 thirty (30) days after the date of the event.

30 ~~(j)~~ (i) If the event is anything else, notice shall be published two (2)  
31 times, at least one (1) week apart, with the second publication made at  
32 least three (3) days before the event.

33 ~~(k)~~ (j) In case any officer charged with the duty of publishing any  
34 notice required by law is unable to procure advertisement at the price  
35 fixed by law, or the newspaper refuses to publish the advertisement, it  
36 is sufficient for the officer to post printed notices in three (3) prominent  
37 places in the political subdivision, instead of advertisement in  
38 newspapers.

39 ~~(l)~~ (k) If a notice of budget estimates for a political subdivision is  
40 published as required in IC 6-1.1-17-3, and the published notice  
41 contains an error due to the fault of a newspaper, the notice as  
42 presented for publication is a valid notice under this chapter.

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(~~m~~) (I) Notwithstanding subsection (~~j~~); (i), if a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and if the notice is not published at least ten (10) days before the date fixed for the public hearing on the budget estimate due to the fault of a newspaper, the notice is a valid notice under this chapter if it is published one (1) time at least three (3) days before the hearing.

SECTION 10. IC 5-10.3-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Monies from the pension relief fund shall be paid annually by the state board under the procedures specified in this section.

(b) Before April 1 of each year, each unit of local government must certify to the state board:

(1) the amount of payments made during the preceding year for benefits under its pension funds covered by this chapter, referred to in this section as "pension payments";

(2) the data determined necessary by the state board to perform an actuarial valuation of the unit's pension funds covered by this chapter; and

(3) the names required to prepare the list specified in subsection (c).

A unit is ineligible to receive a distribution under this section if it does not supply before April 1 of each year (i) the complete information required by this subsection; or (ii) a substantial amount of the information required if it is accompanied by an affidavit of the chief executive officer of the unit detailing the steps which have been taken to obtain the information and the reasons the complete information has not been obtained. This subsection supersedes the reporting requirement of IC 5-10-1.5 as it applies to pension funds covered by this chapter.

(c) Before July 1 of each year, the state board shall prepare a list of all police officers and firefighters, active, retired, and deceased if their beneficiaries are eligible for benefits, who are members of a police or fire pension fund that was established before May 1, 1977. The list may not include police officers, firefighters, or their beneficiaries for whom no future benefits will be paid. The state board shall then compute the present value of the accrued liability to provide the pension and other benefits to each person on the list.

(d) Before July 1 of each year, the state board shall determine the total pension payments made by all units of local government for the preceding year and shall estimate the total pension payments to be made to all units in the calendar year in which the July 1 occurs and in

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the following calendar year.

(e) Each calendar year, the state board shall, with respect to the following calendar year, determine for each unit of local government an amount ( $D_y$ ). The state board shall, in two (2) equal installments before July 1 and before October 2, distribute to each eligible unit of local government the amount ( $D_y$ ) determined for the unit with respect to the following calendar year. The amount ( $D_y$ ) shall be determined by the following STEPS:

STEP ONE: Subtract the total distribution made to units ( $D_{y-1}$ ) in the preceding calendar year from the total pension payments made by units ( $P_{y-1}$ ) in the preceding calendar year.

STEP TWO: Multiply the STEP ONE difference by  $(1+k)$  as  $(k)$  is determined in STEP THREE.

STEP THREE: Determine the annual percentage increase  $(k)$  in the STEP ONE difference which will allow the present value of all future estimated distributions, as computed under STEP FOUR, from the pension relief fund to equal the "k portion" of the pension relief fund balance plus the present value of all future receipts to the "k portion" of the fund, but which will not allow the "k portion" of the pension relief fund balance to be negative. These present values shall be determined based on the current long term actuarial assumptions. The "k portion" of the pension relief fund balance is the total pension relief fund balance less the "m portion" of the fund. The percentage increase  $(k)$  shall be computed to the nearest one thousandth of one percent (.001%). All years, after the year 2000, in which the receipts to the fund plus the net pension payments by all the units equal or exceed the total pension payments shall be ignored for the purposes of these calculations.

STEP FOUR: Subtract the STEP TWO product from the estimated total pension payments to be made by all units ( $P_y$ ) in the calendar year for which the distribution is to be made.

STEP FIVE: Multiply the STEP FOUR difference by one-half ( $1/2$ ) of the sum of two quotients:

(1) the quotient of the unit's number of police officers and firefighters on December 31 of the year before the year of the distribution who are members of a pension fund established before May 1, 1977, who are retired, and who are deceased if their beneficiaries are eligible for benefits (unit) divided by the total number of these police officers and firefighters (total units) on December 31 of the year before the year of the distribution in all units; plus

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(2) the quotient of the unit's pension payments (payments) divided by the total pension payments (total payments) by all units.

Expressed mathematically:

$$D_y = (P_y - ((P_{y-1} - D_{y-1}) \times (1 + k))) \times 1/2$$

(unit/(total unit) + payment/(total payment)).

(f) If in any year the distribution made to a unit of local government is larger than the unit's pension payments to its retirees and their beneficiaries for that year, the excess may not be distributed to the unit but must be transferred to the 1977 police officers' and firefighters' pension and disability fund and the unit's contributions to that fund shall be reduced for that year by the amount of the transfer.

(g) If in any year after 2000, the STEP FOUR difference under subsection (e) is smaller than the revenue to the pension relief fund in that year, then the revenue plus interest plus the fund balance in that year shall be used in STEP FIVE of subsection (e) instead of the STEP FOUR difference.

(h) The state board shall have its actuary report annually on the appropriateness of the actuarial assumptions used in determining the distribution amount under subsection (e). At least every five (5) years, the state board shall have its actuary recompute the value of (k) under STEP TWO of subsection (e).

(i) Each calendar year the state board shall determine the amounts to be allocated to the "m portion" of the pension relief fund under the following STEPS, which shall be completed before July 1 of each year:

STEP ONE: The state board shall determine the following:

(1) "Excess earnings", which are the state board's projection of earnings for the calendar year from investments of the "k portion" of the fund that exceed the amount of earnings that would have been earned if the rate of earnings was the rate assumed by the actuary of the state board in **his the actuary's** calculation of (k) under STEP THREE of subsection (e).

(2) "Prior deficit amount", which is:

(A) the amount of earnings that would have been earned under the rate assumed by the actuary of the state board in **his the actuary's** calculation of (k) under STEP THREE of subsection (e); minus

(B) the amount of earnings received;

for a calendar year after 1981 in which (B) is less than (A).

STEP TWO: The state board shall distribute to the "m portion" the excess earnings less any prior deficit amounts.

(j) The "m portion" of the fund shall be any direct allocations plus:

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(1) amounts allocated under subsection (i); and

(2) any earnings on the "m portion" less amounts previously distributed under subsection (l).

(k) The state board shall determine, based on actual experience and reasonable projections, the units eligible for distribution from the "m portion" of the pension relief fund according to the following STEPS:

STEP ONE: Determine the amount of pension payments to be paid by the unit in the calendar year, net of the amount of the distribution to be received by the unit under subsection (e) in that year, plus contributions to be made under IC 36-8-8 in that year.

STEP TWO: Divide the amount determined under STEP ONE by the amount of the ~~maximum permissible~~ ad valorem property tax levy for the unit ~~as determined under IC 6-1.1-18.5~~ for the calendar year.

STEP THREE: If the quotient determined under STEP TWO is equal to or greater than one-tenth (0.1), the unit shall receive a distribution under subsection (l).

(l) For a calendar year, the state board shall, before July 1 of the year, distribute from the "m portion" of the pension relief fund to the extent there are assets in the "m portion" to each eligible unit an amount, not less than zero (0), determined according to the following STEPS:

STEP ONE: For the first of consecutive years that a unit is eligible to receive a distribution under this subsection, determine the amount of pension payments paid by the unit in the calendar year two (2) years preceding the calendar year net of the amount of distributions received by the unit under subsection (e) in the calendar year two (2) years preceding the calendar year.

STEP TWO: For the first of consecutive years that a unit is eligible to receive a distribution under this subsection, divide the amount determined under STEP ONE by the amount of the ~~maximum permissible~~ ad valorem property tax levy for the unit ~~as determined under IC 6-1.1-18.5~~ for the calendar year two (2) years preceding the calendar year.

STEP THREE: For the first and all subsequent consecutive years that a unit is eligible to receive a distribution under this subsection, multiply the amount of the ~~maximum permissible~~ ad valorem property tax levy for the unit ~~as determined under IC 6-1.1-18.5~~ for the calendar year by the quotient determined under STEP TWO.

STEP FOUR: Subtract the amount determined under STEP THREE from the amount of pension payments to be paid by the

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unit in the calendar year, net of distributions to be received under subsection (e) for the calendar year.

SECTION 11. IC 6-1.1-1-3, AS AMENDED BY P.L.2-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Except as provided in subsection (b), "assessed value" or "assessed valuation" means an amount equal to:

(1) for assessment dates before March 1, 2001, thirty-three and one-third percent (33 1/3%) of the true tax value of property; and

(2) for assessment dates after February 28, 2001, the true tax value of property.

(b) For purposes of calculating a budget, rate, or levy under IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, ~~IC 6-1.1-20~~, ~~IC 20-45-3~~, IC 20-46-4, IC 20-46-5, and IC 20-46-6, "assessed value" or "assessed valuation" does not include the assessed value of tangible property excluded and kept separately on a tax duplicate by a county auditor under IC 6-1.1-17-0.5.

SECTION 12. IC 6-1.1-15-1, AS AMENDED BY P.L.1-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for a review under this section, including a meeting under subsection (h) with the county or township official referred to in this subsection; and

(2) the procedures the taxpayer must follow in order to obtain a review under this section.

(b) In order to obtain a review of an assessment effective for the assessment date to which the notice referred to in subsection (a) applies, the taxpayer must file a notice in writing with the county or township official referred to in subsection (a) not later than forty-five (45) days after the date of the notice referred to in subsection (a).

(c) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (a). To obtain the review, the taxpayer must file a notice in writing with the township assessor of the township in which the property is subject to assessment. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as

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otherwise required by this article. For an assessment date in a year before 2009, the notice must be filed on or before May 10 of the year. For an assessment date in a year after 2008, the notice must be filed not later than the later of:

- (1) May 10 of the year; or
- (2) forty-five (45) days after the date of the statement mailed by the county auditor under ~~IC 6-1.1-17-3(b)~~ **IC 6-1.1-17-3(c)**.

(d) A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (c) after the time prescribed in subsection (c) becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection (b) or (c) remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

(e) The written notice filed by a taxpayer under subsection (b) or (c) must include the following information:

- (1) The name of the taxpayer.
- (2) The address and parcel or key number of the property.
- (3) The address and telephone number of the taxpayer.

(f) A county or township official who receives a notice for review filed by a taxpayer under subsection (b) or (c) shall immediately forward the notice to the county board.

(g) The county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of the notice for review filed by the taxpayer under subsection (b) or (c). The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board.

(h) Before the county board holds the hearing required under subsection (g), the taxpayer may request a meeting by filing a written request with the county or township official with whom the taxpayer filed the notice for review to:

- (1) attempt to resolve as many issues under review as possible; and
- (2) seek a joint recommendation for settlement of some or all of the issues under review.

A county or township official who receives a meeting request under this subsection before the county board hearing shall meet with the taxpayer. The taxpayer and the county or township official shall present

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a joint recommendation reached under this subsection to the county board at the hearing required under subsection (g). The county board may adopt or reject the recommendation in whole or in part.

(i) At the hearing required under subsection (g):

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment; and

(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment decision; and

(B) the reasons the taxpayer's contentions should be denied.

(j) The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(k) Regardless of whether the county board adopts a recommendation under subsection (h), the county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (g) to the taxpayer, the county assessor, and the township assessor.

(l) If the maximum time elapses:

(1) under subsection (g) for the county board to hold a hearing; or

(2) under subsection (k) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

SECTION 13. IC 6-1.1-17-3, AS AMENDED BY P.L.219-2007, SECTION 49, AND AS AMENDED BY P.L.224-2007, SECTION 5, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy **for property taxes**

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1 **first due and payable before 2010;**

2 **(3) the estimated maximum permissible tax rate for property**  
 3 **taxes first due and payable after 2009; and**

4 ~~(3) (4)~~ the current and proposed tax levies of each fund. ~~and~~

5 ~~(4) the amounts of excessive levy appeals to be requested.~~

6 In the notice, the political subdivision shall also state the time and  
 7 place at which a public hearing will be held on these items. The notice  
 8 shall be published twice in accordance with IC 5-3-1 with the first  
 9 publication at least ten (10) days before the date fixed for the public  
 10 hearing. Beginning in 2009, the duties required by this subsection must  
 11 be completed before August 10 of the calendar year. A political  
 12 subdivision shall provide the estimated budget and levy information  
 13 required for the notice under subsection (b) to the county auditor on the  
 14 schedule determined by the department of local government finance.

15 **(b) If a remonstrance petition that satisfies the requirements of**  
 16 **IC 6-1.1-17.5 has been filed to reverse a decision of the county**  
 17 **board of tax and capital projects review under IC 6-1.1-17.5 with**  
 18 **respect to a political subdivision, the political subdivision shall**  
 19 **publish the information required by this subsection for each of the**  
 20 **tax rates that would be permitted if the voters:**

21 **(1) reject the tax rate increase; or**

22 **(2) approve the tax rate increase.**

23 ~~(b) (c)~~ Beginning in 2009, before August 10 of a calendar year, the  
 24 county auditor shall mail to the last known address of each person  
 25 liable for any property taxes, as shown on the tax duplicate, or to the  
 26 last known address of the most recent owner shown in the transfer  
 27 book, a statement that includes:

28 (1) the assessed valuation as of the assessment date in the current  
 29 calendar year of tangible property on which the person will be  
 30 liable for property taxes first due and payable in the immediately  
 31 succeeding calendar year and notice to the person of the  
 32 opportunity to appeal the assessed valuation under  
 33 ~~IC 6-1.1-15-1(b); IC 6-1.1-15-1(c);~~

34 (2) the amount of property taxes for which the person will be  
 35 liable to each political subdivision on the tangible property for  
 36 taxes first due and payable in the immediately succeeding  
 37 calendar year, taking into account all factors that affect that  
 38 liability, including:

39 (A) the estimated budget and proposed tax rate and tax levy  
 40 formulated by the political subdivision under subsection (a);

41 (B) any deductions or exemptions that apply to the assessed  
 42 valuation of the tangible property;

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- (C) any credits that apply in the determination of the tax liability; and
- (D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:
- (i) the county board of tax adjustment *(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)*; or
  - (ii) the department of local government finance;
- (3) a prominently displayed notation that:
- (A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and
  - (B) based on various factors, including potential actions by:
    - (i) the county board of tax adjustment *(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)*; or
    - (ii) the department of local government finance;
 it is possible that the tax liability as finally determined will differ substantially from the estimate;
  - (4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and
  - (5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).
- ~~(c)~~ **(d)** The department of local government finance shall:
- (1) prescribe a form for; and
  - (2) provide assistance to county auditors in preparing;
- statements under ~~subsection (b)~~: **subsection (c)**. Mailing the statement described in ~~subsection (b)~~ **subsection (c)** to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with ~~subsection (b)~~: **subsection (c)**.
- ~~(d)~~ **(e)** The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):
- (1) in any county of the solid waste management district; and
  - (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.
- ~~(e)~~ **(f)** The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the

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township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

~~(f)~~ (g) A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.

(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment ~~that is~~ **may not be** less than the levy necessary to pay the costs described in subdivision (1) or (2). ~~shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.~~

SECTION 14. IC 6-1.1-17-5, AS AMENDED BY P.L.219-2007, SECTION 50, AND AS AMENDED BY P.L.224-2007, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

~~(1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.~~

~~(2) The fiscal body of a municipality, not later than September 30.~~

~~(3)~~ (1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

(B) September ~~20~~ 30 if a resolution adopted under section 5.6(d) of this chapter is in effect.

~~(4)~~ (2) The proper officers of all other political subdivisions, not later than September ~~20~~ 30.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a

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consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) ~~This subsection does not apply to a school corporation.~~ Each year at least two (2) days before the first meeting *after September 20* of the county board of tax adjustment *(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008), held under IC 6-1.1-29-4*, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment *(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)*. ~~at the board's first meeting under IC 6-1.1-29-4 after September 20 of that year.~~

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county ~~board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ **auditor** within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

**(g) If a remonstrance petition that satisfies the requirements of**

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IC 6-1.1-17.5 has been filed to reverse a decision of the county board of tax and capital projects review under IC 6-1.1-17.5 with respect to a political subdivision, the political subdivision shall adopt a budget, tax rate, and tax levy for each of the tax rates that would be permitted if the voters:

- (1) reject the tax rate increase; or
- (2) approve the tax rate increase.

SECTION 15. IC 6-1.1-17-5.6, AS AMENDED BY P.L.219-2007, SECTION 51, AND AS AMENDED BY P.L.224-2007, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5.6. (a) This section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September ~~20~~ 30.

(c) Each year, at least two (2) days before the first meeting *after September 20* of the county board of tax adjustment (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*), ~~held under IC 6-1.1-29-4~~, the school corporation shall file with the county auditor:

- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year; **and**
- (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year. ~~and~~
- (3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*). ~~at the board's first meeting after September 20 of that year.~~

(d) The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption

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of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget ~~fixed by the department of local government finance~~ before the adoption of a resolution under this subsection.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget ~~fixed by the department of local government finance~~ before the adoption of a rescinding resolution under this subsection.

SECTION 16. IC 6-1.1-17-12, AS AMENDED BY P.L.224-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. ~~As soon as the budgets, tax rates, and tax levies are approved or modified by the county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008);~~ **Not more than five (5) business days after the review by the department of local government finance is completed under section 16 of this chapter,** the county auditor shall ~~within fifteen (15) days~~ prepare a notice of the tax rates to be charged on each one hundred dollars (\$100) of assessed valuation for the various funds in each taxing district. ~~The notice shall also inform the taxpayers of the manner in which they may initiate an appeal of the county board's action.~~ The county auditor shall post the notice at the county courthouse and publish it in two (2) newspapers which represent different political parties and which have a general circulation in the county.

SECTION 17. IC 6-1.1-17-13, AS AMENDED BY P.L.228-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) Ten (10) or more taxpayers or one (1) taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision may initiate an appeal from the county board of tax adjustment's action on a political subdivision's budget by filing a statement of their objections with the county auditor. The statement must be filed not later than ten (10) days after the publication of the notice required by section 12 of

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1 this chapter. The statement shall specifically identify the provisions of  
 2 the budget and tax levy to which the taxpayers object. The county  
 3 auditor shall forward the statement, with the budget, to the department  
 4 of local government finance.

5 (b) The department of local government finance shall:

6 (1) subject to subsection (c), give notice to the first ten (10)  
 7 taxpayers whose names appear on the petition, or to the taxpayer  
 8 that owns property that represents at least ten percent (10%) of  
 9 the taxable assessed valuation in the political subdivision in the  
 10 case of an appeal initiated by that taxpayer, of the date, time, and  
 11 location of the hearing on the objection statement filed under  
 12 subsection (a);

13 (2) conduct a hearing on the objection; and

14 (3) after the hearing:

15 (A) consider the testimony and evidence submitted at the  
 16 hearing; and

17 (B) mail the department's:

18 (i) written determination; and

19 (ii) written statement of findings;

20 to the first ten (10) taxpayers whose names appear on the  
 21 petition, or to the taxpayer that owns property that represents  
 22 at least ten percent (10%) of the taxable assessed valuation in  
 23 the political subdivision in the case of an appeal initiated by  
 24 that taxpayer.

25 ~~The department of local government finance may hold the hearing in~~  
 26 ~~conjunction with the hearing required under IC 6-1.1-17-16.~~

27 (c) The department of local government finance shall provide  
 28 written notice to:

29 (1) the first ten (10) taxpayers whose names appear on the  
 30 petition; or

31 (2) the taxpayer that owns property that represents at least ten  
 32 percent (10%) of the taxable assessed valuation in the political  
 33 subdivision, in the case of an appeal initiated by that taxpayer;

34 at least five (5) days before the date of the hearing.

35 SECTION 18. IC 6-1.1-17-16, AS AMENDED BY P.L.1-2007,  
 36 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JANUARY 1, 2009]: Sec. 16. (a) Subject to the limitations and  
 38 requirements prescribed in this section, the department of local  
 39 government finance **shall review the budget, tax rate, and tax levy**  
 40 **for each taxing unit to ensure that the budget, tax rate, and tax levy**  
 41 **comply with this article. The department may not** revise, reduce, or  
 42 increase a political subdivision's budget, ~~by fund~~ tax rate, or tax levy

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1 which the department reviews under section 8 or 10 of this chapter  
 2 unless the revision, reduction, or increase is necessary for the  
 3 budget, tax rate, or tax levy to comply with this article. The  
 4 department shall correct any mathematical errors in data that  
 5 affect the determination of a political subdivision's property tax  
 6 rate or levy.

7 (b) Subject to the limitations and requirements prescribed in this  
 8 section, the department of local government finance may review;  
 9 revise; reduce; or increase the budget by fund; tax rate; or tax levy of  
 10 any of the political subdivisions whose tax rates compose the aggregate  
 11 tax rate within a political subdivision whose budget, tax rate; or tax  
 12 levy is the subject of an appeal initiated under this chapter.

13 (c) Except as provided in subsections (j) and (k), before the  
 14 department of local government finance reviews, revises, reduces; or  
 15 increases a political subdivision's budget by fund; tax rate; or tax levy  
 16 under this section, the department must hold a public hearing on the  
 17 budget, tax rate, and tax levy. The department of local government  
 18 finance shall hold the hearing in the county in which the political  
 19 subdivision is located. The department of local government finance  
 20 may consider the budgets by fund; tax rates; and tax levies of several  
 21 political subdivisions at the same public hearing. At least five (5) days  
 22 before the date fixed for a public hearing, the department of local  
 23 government finance shall give notice of the time and place of the  
 24 hearing and of the budgets by fund; levies; and tax rates to be  
 25 considered at the hearing. The department of local government finance  
 26 shall publish the notice in two (2) newspapers of general circulation  
 27 published in the county. However, if only one (1) newspaper of general  
 28 circulation is published in the county, the department of local  
 29 government finance shall publish the notice in that newspaper.

30 (d) Except as provided in subsection (i), IC 20-45, IC 20-46, or  
 31 IC 6-1.1-18.5, the department of local government finance may not  
 32 increase a political subdivision's budget by fund; tax rate; or tax levy to  
 33 an amount which exceeds the amount originally fixed by the political  
 34 subdivision. However, if the department of local government finance  
 35 determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or  
 36 budget of the political subdivision, the maximum amount by which the  
 37 department may increase the tax rate, tax levy, or budget is the amount  
 38 originally fixed by the political subdivision, and not the amount that  
 39 was incorrectly published or omitted in the notice described in  
 40 IC 5-3-1-2.3(b). The department of local government finance shall give  
 41 the political subdivision written notification specifying any revision;  
 42 reduction; or increase the department proposes in a political

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subdivision's tax levy or tax rate. The political subdivision has two (2) weeks from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) (b) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) (c) The department of local government finance shall certify its action to

- (1) the county auditor.
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) (d) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f): **subsection (c):**

- (1) If the department acts under an appeal initiated by a political subdivision, The political subdivision.
- (2) If the department:
  - (A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or
  - (B) fails to act on the appeal before the department certifies its action under subsection (f);

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A taxpayer who signed the statement filed to initiate the appeal:  
in the political subdivision.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter; The county auditor.

(4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision:

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f):

(h) (e) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in section 12 of this chapter is published at least ten (10) days before the date of the hearing.

SECTION 19. IC 6-1.1-17-17, AS AMENDED BY P.L.2-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. Subject to the limitations contained in IC 6-1.1-19; IC 6-1.1-18.5; IC 20-45; and IC 20-46; The department of

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1 local government finance may at any time increase the tax rate and tax  
2 levy of a political subdivision for the following reasons:

- 3 (1) To pay the principal or interest upon a funding, refunding, or  
4 judgment funding obligation of a political subdivision.
- 5 (2) To pay the interest or principal upon an outstanding obligation  
6 of the political subdivision.
- 7 (3) To pay a judgment rendered against the political subdivision.
- 8 (4) To pay lease rentals that have become an obligation of the  
9 political subdivision under IC 20-47-2 or IC 20-47-3.

10 SECTION 20. IC 6-1.1-17-21, AS ADDED BY P.L.227-2005,  
11 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JANUARY 1, 2009]: Sec. 21. Notwithstanding any other law, in a  
13 county having a consolidated city, the city controller of the  
14 consolidated city has all the powers and shall perform all the duties  
15 assigned to county auditors under this chapter. ~~related to the fixing and~~  
16 ~~reviewing of budgets, tax rates, and tax levies.~~

17 SECTION 21. IC 6-1.1-17.5 IS ADDED TO THE INDIANA CODE  
18 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
19 JULY 1, 2008]:

20 **Chapter 17.5. County Board of Tax and Capital Projects Review**

21 **Sec. 1. This chapter applies to all taxing units.**

22 **Sec. 2. For purposes of this chapter:**

23 (1) "board" refers to the county board of tax and capital  
24 projects review established under section 3 of this chapter;

25 (2) "bonds" means any bonds or other evidences of  
26 indebtedness payable from property taxes for a controlled  
27 project, but does not include:

28 (A) notes representing loans under IC 36-2-6-18,  
29 IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 that are  
30 payable not later than five (5) years after issuance;

31 (B) warrants representing temporary loans that are  
32 payable out of taxes levied and in the course of collection;

33 (C) a lease;

34 (D) obligations; or

35 (E) funding, refunding, or judgment funding bonds;  
36 of a political subdivision;

37 (3) "controlled project" means any project financed by bonds  
38 or a lease, except for:

39 (A) a project for which the political subdivision reasonably  
40 expects to pay:

- 41 (i) debt service; or
- 42 (ii) lease rentals;

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from funds other than property taxes that are exempt from the rate limitations of IC 6-1.1-18.5 or IC 20-45-3, regardless of whether the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient;

(B) a project that will not cost the political subdivision more than two million dollars (\$2,000,000);

(C) a project that is being refinanced to provide gross or net present value savings to taxpayers;

(D) a project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners (before the board was abolished) approved the issuance of bonds or the execution of leases before January 1, 1996; or

(E) a project that is required by a court order holding that a federal law mandates the project;

(4) "debt service" means principal of and interest on bonds, including the repayment of an advance from the common school fund under IC 20-49-4;

(5) "lease" means a lease by a political subdivision of any controlled project with lease rentals payable from property taxes that are exempt from the rate limitations of IC 6-1.1-18.5 or IC 20-45-3;

(6) "lease rentals" means the payments required under a lease;

(7) "obligations" refers to a contract or promise to pay of a political subdivision that would be considered a bond or lease under this chapter but for the fact that it is payable solely from funds other than property taxes;

(8) "project" means any project or purpose for which a political subdivision may issue bonds or enter into leases, including a sale-lease back of an existing building; and

(9) "property taxes" means a property tax rate or levy to pay debt service or to pay lease rentals, but does not include taxes allocated for an allocation area under:

(A) IC 6-1.1-39;

(B) IC 8-22-3.5;

(C) IC 36-7-14;

(D) IC 36-7-14.5;

(E) IC 36-7-15.1; or

(F) IC 36-7-30.

Sec. 3. (a) On January 1, 2009, there is established in each

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1 county a county board of tax and capital projects review. Except  
 2 as provided by subsections (b)(7), (b)(8), (c)(7), (c)(8), and (e), each  
 3 member of the board must be an elected official serving on the  
 4 fiscal body of the taxing unit or the group of taxing units that the  
 5 individual represents. The board consists of nine (9) members. All  
 6 members except the county auditor are voting members. However,  
 7 the county auditor is entitled to vote to break a tie vote.

8 (b) This subsection does not apply to a county containing a  
 9 consolidated city. For a county having at least two (2) cities, at least  
 10 two (2) towns, and at least two (2) school corporations, the  
 11 members of the board are as follows:

12 (1) One (1) individual from the county fiscal body.

13 (2) One (1) individual from the fiscal body of the municipality  
 14 that has the greatest taxable assessed valuation in the county.

15 (3) One (1) individual from the fiscal body of the school  
 16 corporation that has the greatest taxable assessed valuation in  
 17 the county.

18 (4) One (1) individual from the fiscal bodies of the cities  
 19 within the county, excluding a municipality described in  
 20 subdivision (2).

21 (5) One (1) individual from the fiscal body of a school  
 22 corporation within the county (excluding a school corporation  
 23 described in subdivision (3)), appointed jointly by the fiscal  
 24 bodies of the school corporations. The appointment under this  
 25 subdivision must be made from the fiscal bodies of the school  
 26 corporations (excluding a school corporation described in  
 27 subdivision (3)) on a rotating basis determined by the school  
 28 corporations.

29 (6) One (1) individual from the fiscal bodies of the towns  
 30 within the county, excluding a town described in subdivision  
 31 (2).

32 (7) Two (2) individuals who are residents of the county and  
 33 are elected by the voters of the county under IC 3-11-2-12.8.

34 (8) The county auditor.

35 (c) This subsection does not apply to a county containing a  
 36 consolidated city. For a county not described in subsection (b), the  
 37 members of the board are as follows:

38 (1) One (1) individual from the county fiscal body.

39 (2) One (1) individual from the fiscal body of the municipality  
 40 that has the greatest taxable assessed valuation in the county.

41 (3) One (1) individual from the fiscal body of the school  
 42 corporation that has the greatest taxable assessed valuation in

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the county.

(4) One (1) individual from the fiscal bodies of the cities within the county, or towns within the county in the case of a county not having any cities. However, a municipality described in subdivision (2) is excluded.

(5) One (1) individual from the fiscal bodies of the school corporations within the county, excluding the school corporation described in subdivision (3), unless that school corporation is the only school corporation within the county. If there is more than one (1) school corporation represented under this subdivision, the appointment under this subdivision must be made from the fiscal bodies of the school corporations (excluding a school corporation described in subdivision (3)) on a rotating basis determined by the school corporations.

(6) One (1) individual from the fiscal bodies of the towns within the county. However, a town described in subdivision (2) and a town described in subdivision (4) are excluded.

(7) Two (2) individuals who are residents of the county and are elected by the voters of the county under IC 3-11-2-12.8.

(8) The county auditor.

However, if the county has less than three (3) municipalities, subsection (d), rather than subdivisions (2), (4), and (6), governs the selection of members to represent those municipalities.

(d) If a county is subject to subsection (c) but has less than three (3) municipalities, the members of the board who represent those municipalities are determined in the following manner:

(1) If the county has two (2) municipalities, the members representing those municipalities are two (2) individuals from the fiscal body of the municipality that has the greatest taxable assessed valuation and one (1) individual from the fiscal body of the other municipality.

(2) If the county has only one (1) municipality, the members representing that municipality are three (3) individuals from the fiscal body of the municipality.

(e) The members of the board in a county containing a consolidated city are as follows:

(1) One (1) individual appointed by the county executive.

(2) One (1) member appointed by the fiscal body of the largest municipality in the county.

(3) One (1) individual appointed by the executive of the largest municipality in the county.

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(4) One (1) individual appointed jointly by the executives of all municipalities in the county (other than the largest municipality in the county).

(5) One (1) individual appointed jointly by the fiscal bodies of all municipalities in the county (other than the largest municipality in the county).

(6) The county auditor.

(7) The fiscal officer of the largest municipality in the county.

(8) One (1) individual from the fiscal body of the largest school corporation in the county.

(9) One (1) individual appointed jointly by the fiscal officers of all municipalities in the county (other than the largest municipality in the county). An individual appointed under this subdivision must be the fiscal officer of a municipality in the county.

(f) Members of a board shall be appointed or elected as provided in section 4 of this chapter.

(g) For purposes of Article 2, Section 9 of the Constitution of the State of Indiana, membership on a board is not a lucrative office.

(h) A board is subject to IC 5-14-1.5 and IC 5-14-3.

Sec. 4. (a) On or before December 31, 2008, and each even-numbered year thereafter, each person or entity required to make an appointment to a board under section 3 of this chapter shall make the required appointment or appointments of members who will represent the person or entity on the board. The appointments take effect January 1 of the following odd-numbered year and continue in effect until December 31 of the following even-numbered year. If a member is to be appointed by one (1) entity, the appointment must be made by a majority vote of the fiscal body in official session. If a member is to be appointed by more than one (1) entity, the appointment must be made by a majority vote of the total members of the entities taken in joint session. If:

(1) a person or entity fails; or

(2) the entities, in the case of a joint appointment, fail;

to make a required appointment of a member by December 31 of an even-numbered year, the county fiscal body shall make the appointment.

(b) This subsection does not apply to a county containing a consolidated city. At the general election in 2008 and every four (4) years thereafter, the voters of each county shall under IC 3-11-2-12.8 elect two (2) individuals who are residents of the

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1 county as members of the board. The term of office of a member  
 2 elected under this subsection begins January 1 of the year  
 3 following the member's election and ends December 31 of the  
 4 fourth year following the member's election. The two (2) members  
 5 who are elected for a position on the board are determined as  
 6 follows:

7 (1) The members shall be elected on a nonpartisan basis.

8 (2) Each prospective candidate must file a nomination petition  
 9 with the county election board not earlier than one hundred  
 10 four (104) days and not later than noon seventy-four (74) days  
 11 before the election at which the members are to be elected.

12 The nomination petition must include the following  
 13 information:

14 (A) The name of the prospective candidate.

15 (B) The signatures of at least one hundred (100) registered  
 16 voters residing in the county.

17 (C) A certification that the prospective candidate meets the  
 18 qualifications for candidacy imposed by this chapter.

19 (3) Only eligible voters residing in the county may vote for a  
 20 candidate.

21 (4) The two (2) candidates within the county who receive the  
 22 greatest number of votes in the county are elected.

23 (c) A member elected under this section may not be, or have  
 24 been during the year preceding the member's appointment or  
 25 election, an officer or employee of a political subdivision.

26 Sec. 5. (a) This section applies after December 31, 2008.

27 (b) Five (5) members of the board constitute a quorum.

28 (c) The board may adopt rules for the transaction of business at  
 29 its meetings.

30 (d) The affirmative votes of at least five (5) members of the  
 31 board are required for the board to take action.

32 (e) The county auditor is the clerk of the board and shall:

33 (1) preserve the board's records in the auditor's office;

34 (2) keep an accurate record of the board's proceedings; and

35 (3) record the ayes and nays on each vote of the board.

36 Sec. 6. (a) If a vacancy occurs in the membership of the board  
 37 with respect to an appointment made by a fiscal body, the vacancy  
 38 shall be filled in the same manner provided for the original  
 39 appointment.

40 (b) If a vacancy occurs in the membership of the board with  
 41 respect to a member elected under section 4(b) of this chapter, the  
 42 county fiscal body shall appoint an individual to fill the vacancy for

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the remainder of the term.

**Sec. 7. A member of the board who is elected under section 3 of this chapter shall receive compensation from the county on a per diem basis for each day of actual service on the board. The rate of the compensation is equal to the rate that members of the county property tax assessment board of appeals in the county receive under IC 6-1.1-28-3. The county auditor shall keep an attendance record of each meeting of the board. The county auditor shall certify to the county executive the number of days actually served by each elected member. The county executive may not allow claims for service on the board for more days than the number of days certified by the county auditor. Appointed members of the board are not entitled to per diem compensation.**

**Sec. 8. A board may require an official of a political subdivision of the county to appear before the board. In addition, the board may require such an official to provide the board with information that is related to the budget, tax rate, or tax levy of the political subdivision.**

**Sec. 9. A board may employ an examiner of the state board of accounts to assist the board with its duties. If the board desires to employ an examiner, it shall adopt a resolution that states the number of days that the examiner is to serve, when the board files a copy of the resolution with the chief examiner of the state board of accounts, the state board of accounts shall assign an examiner to the board for the number of days stated in the resolution. When an examiner of the state board of accounts is employed by a board under this section, the county shall pay the expenses related to the examiner's services in the same manner that expenses are to be paid under IC 5-11-4-3.**

**Sec. 10. The board may meet after December 31, 2008, at any time during a year to carry out its duties.**

**Sec. 11. The board has the following powers:**

**(1) To approve or disapprove, but not modify, a proposed increase in a civil taxing unit's property tax rate for property taxes first due and payable after 2009 that results in a rate greater than the rate permitted by IC 6-1.1-18.5.**

**(2) To approve or disapprove, but not modify, a proposed increase in a school corporation's property tax rate for property taxes first due and payable after 2009 that results in a rate greater than the rate permitted by IC 20-45-3-7.**

**(3) To approve or disapprove, but not modify, a proposed increase in a school corporation's property tax rate for**

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property taxes first due and payable after 2009 that results in a rate greater than the rate permitted by IC 20-46-6-5.

(4) To approve or disapprove, but not modify, a proposed bond issue or lease of a taxing unit.

A decision is made by the board only if there is a majority vote by the board in favor of the decision.

Sec. 12. (a) Except as provided in this chapter:

(1) a civil taxing unit may not use a property tax rate for property taxes first due and payable after 2009 that is greater than the rate permitted by:

(A) IC 6-1.1-18.5 for the combination of all funds other than the unit's social service funds, debt service fund, and cumulative or capital development funds;

(B) IC 6-1.1-18.5 for the unit's cumulative and capital development funds; or

(C) IC 6-1.1-18.5 for the unit's social service funds; and

(2) a school corporation may not use a property tax rate for property taxes first due and payable after 2009 that is greater than the rate permitted by:

(A) IC 20-45-3 for the school corporation's general fund; or

(B) IC 20-46-6-5 for the school corporation's capital projects fund.

(b) A taxing unit desiring to use a greater rate than the maximum permitted rate must file a petition with the board of each county in which the unit is located requesting permission to increase the unit's tax rate above the permitted rate.

Sec. 13. A taxing unit may, subject to the limitations provided by law, issue any bonds, notes, or warrants or enter into any leases or obligations that it considers necessary.

Sec. 14. A taxing unit may not issue bonds or enter into a lease unless the taxing unit receives the approval of the board of each county in which the unit is located. A taxing unit desiring to issue bonds or enter into a lease must file a petition with the board of each county in which the unit is located requesting permission to issue bonds or enter into a lease.

Sec. 15. (a) A petition by a taxing unit under section 12 or 14 of this chapter must be filed before May 1.

(b) The board shall hold a public hearing to hear testimony on and discuss each petition filed by a taxing unit under section 12 or 14 of this chapter. The board shall make a decision on each petition filed by a taxing unit. The board shall publish a notice of the public

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1 hearing at least ten (10) days before the date of the hearing as  
 2 provided in IC 5-3-1. After a decision is made by the board, the  
 3 board shall publish a notice describing each question and the  
 4 board's decision. The notice shall include each member's vote on  
 5 the question. Before June 1, the board shall publish the notice of  
 6 each question and decision as provided in IC 5-3-1, except that the  
 7 notice must be:

- 8 (1) in at least 12 point bold type; and
- 9 (2) signed by all members of the board.

10 (c) If a taxing unit is located in more than one (1) county and if  
 11 one (1) of the boards rejects a tax rate increase, bond issue, or  
 12 lease, the taxing unit's proposal is considered rejected for purposes  
 13 of this chapter.

14 Sec. 16. (a) Except as provided in section 22 of this chapter, a  
 15 decision of the board may be reversed only if more resident  
 16 registered voters sign a petition to reverse the board's decision  
 17 than sign a petition to uphold the board's decision. A resident  
 18 registered voter is an individual who:

- 19 (1) resides within the taxing unit regardless of the individual's
- 20 resident county; and
- 21 (2) is registered to vote.

22 (b) To reverse the board's decision, resident registered voters  
 23 may file a remonstrance petition with the county auditor of each  
 24 county in which the taxing unit is located. The remonstrance  
 25 petition must:

- 26 (1) be filed before July 16 of the same year that the board
- 27 publishes the notice required by section 15 of this chapter;
- 28 and
- 29 (2) identify each petitioner with sufficient detail so that the
- 30 circuit court clerk can identify the validity of the petitioner.

31 (c) Each county auditor shall immediately deliver a certified  
 32 copy of the remonstrance petition to the circuit court clerk of each  
 33 county in which the taxing unit is located. Before August 16 of that  
 34 year, each circuit court clerk shall:

- 35 (1) certify whether the remonstrance petition satisfies the
- 36 requirements of subsection (d); and
- 37 (2) publish a notice that includes the form of the remonstrance
- 38 petition being filed and whether the remonstrance petition
- 39 satisfies the requirements of subsection (d).

40 If the remonstrance petition satisfies the requirements of  
 41 subsection (d), the notice must include the number of valid  
 42 remonstrators and the last date on which a counterpetition may be

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1 filed under section 17 of this chapter.

2 (d) If the remonstrance petition is signed by the lesser of:

3 (1) ten percent (10%) of the resident registered voters,  
4 determined by using the number of resident voters who voted  
5 for the office of secretary of state in the most recent general  
6 election; or

7 (2) seven thousand five hundred (7,500) resident registered  
8 voters;

9 the board's decision is stayed until each circuit court clerk certifies  
10 whether the board's decision is reversed or upheld.

11 (e) If the remonstrance petition does not satisfy the  
12 requirements of subsection (d), the board's action becomes  
13 effective upon the certification and publication that the petition  
14 does not satisfy the requirements of subsection (d). The published  
15 notice must include a statement that the board's action takes effect.

16 Sec. 17. (a) If a remonstrance petition satisfies the requirements  
17 of section 16 of this chapter, resident registered voters may file a  
18 counterpetition with the county auditor of each county in which the  
19 taxing unit is located. The counterpetition must:

20 (1) be filed not later than forty-five (45) days after the date the  
21 notice is published under section 16 of this chapter; and

22 (2) identify each petitioner with sufficient detail so that the  
23 circuit court clerk can identify the validity of the petitioner.

24 (b) Not more than fifteen (15) days after the last date for  
25 submitting counterpetitions, the circuit court clerk of each county  
26 shall:

27 (1) certify the number of valid signatures on the  
28 counterpetition and whether the number of counterpetitioners  
29 is greater than the number of remonstrators; and

30 (2) publish a notice that includes a description of the issue on  
31 which petitions were filed, the number of voters signing the  
32 remonstrance petition and counterpetition, and the voters'  
33 decision on the issue.

34 If more resident registered voters sign the remonstrance petition  
35 than sign the counterpetition, the board's decision is reversed. If  
36 more resident registered voters sign the counterpetition than sign  
37 the remonstrance petition, the board's decision takes effect.

38 Sec. 18. (a) This section applies to the form of a remonstrance  
39 petition to reverse a board's action. If more than one (1) question  
40 was decided upon by the board, a separate remonstrance petition  
41 must be used for each question.

42 (b) In the case of a request to increase a taxing unit's maximum

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1 tax rate and the board's approval of the increase, the remonstrance  
2 petition must read as follows:

3 "Should the \_\_\_\_\_ (insert the name of the taxing  
4 unit) not be permitted to increase its property tax rate from  
5 \_\_\_\_\_ (insert current rate) to \_\_\_\_\_ (insert  
6 requested rate)? Signing this remonstrance petition means the  
7 maximum property tax rate for \_\_\_\_\_ (insert name of  
8 taxing unit) will not be increased.".

9 (c) In the case of a request to increase a taxing unit's maximum  
10 tax rate and the board's rejection of the increase, the remonstrance  
11 petition must read as follows:

12 "Should the \_\_\_\_\_ (insert the name of the taxing  
13 unit) be permitted to increase its property tax rate from  
14 \_\_\_\_\_ (insert current rate) to \_\_\_\_\_ (insert  
15 requested rate)? Signing this remonstrance petition means the  
16 maximum property tax rate for \_\_\_\_\_ (insert name of  
17 taxing unit) will be increased.".

18 (d) In the case of a request to issue bonds and the board's  
19 approval of the issuance, the remonstrance petition must read as  
20 follows:

21 "Should the \_\_\_\_\_ (insert the name of the taxing unit)  
22 not be permitted to issue bonds for the purpose of financing  
23 \_\_\_\_\_ (insert description of project)? Signing this  
24 remonstrance petition means \_\_\_\_\_ (insert name of  
25 taxing unit) will not be permitted to issue the bonds.".

26 (e) In the case of a request to issue bonds and the board's  
27 rejection of the issuance, the remonstrance petition must read as  
28 follows:

29 "Should the \_\_\_\_\_ (insert the name of the taxing unit)  
30 be permitted to issue bonds for the purpose of financing  
31 \_\_\_\_\_ (insert description of project)? Signing this  
32 remonstrance petition means \_\_\_\_\_ (insert name of  
33 taxing unit) will be permitted to issue the bonds.".

34 (f) In the case of a request to enter into a lease and the board's  
35 approval of the request, the remonstrance petition must read as  
36 follows:

37 "Should the \_\_\_\_\_ (insert the name of the taxing unit)  
38 not be permitted to enter into a lease for \_\_\_\_\_ (insert  
39 description of project)? Signing this remonstrance petition  
40 means \_\_\_\_\_ (insert name of taxing unit) will not be  
41 permitted to enter into the lease.".

42 (g) In the case of a request to enter into a lease and the board's

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rejection of the request, the remonstrance petition must read as follows:

"Should the \_\_\_\_\_ (insert the name of the taxing unit) be permitted to enter into a lease for \_\_\_\_\_ (insert description of project)? Signing this remonstrance petition means \_\_\_\_\_ (insert name of taxing unit) will be permitted to enter into the lease."

**Sec. 19. (a)** This section applies to the form of a counterpetition in response to a remonstrance petition. If more than one (1) remonstrance petition is filed, a separate counterpetition must be used in response to each remonstrance petition.

**(b)** In the case of a request to increase a taxing unit's maximum tax rate and the board's approval of the increase, the counterpetition must read as follows:

"The county board of tax and capital projects review approved a property tax rate increase for \_\_\_\_\_ (insert name of taxing unit). A remonstrance petition has been filed to prevent the tax rate increase. Should the \_\_\_\_\_ (insert the name of the taxing unit) be permitted to increase its property tax rate from \_\_\_\_\_ (insert current rate) to \_\_\_\_\_ (insert requested rate)? Signing this counterpetition means the maximum property tax rate for \_\_\_\_\_ (insert name of taxing unit) will be increased."

**(c)** In the case of a request to increase a taxing unit's maximum tax rate and the board's rejection of the increase, the counterpetition must read as follows:

"The county board of tax and capital projects review rejected a property tax rate increase for \_\_\_\_\_ (insert name of taxing unit). A remonstrance petition has been filed to permit the tax rate increase. Should the \_\_\_\_\_ (insert the name of the taxing unit) not be permitted to increase its property tax rate from \_\_\_\_\_ (insert current rate) to \_\_\_\_\_ (insert requested rate)? Signing this counterpetition means the maximum property tax rate for \_\_\_\_\_ (insert name of taxing unit) will not be increased."

**(d)** In the case of a request to issue bonds and the board's approval of the bond issue, the counterpetition must read as follows:

"The county board of tax and capital projects review approved a bond issue for \_\_\_\_\_ (insert name of taxing unit). A remonstrance petition has been filed to prevent the

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bond issue. Should the \_\_\_\_\_ (insert the name of the taxing unit) be permitted to issue bonds for the purpose of financing \_\_\_\_\_ (insert description of project)? Signing this counterpetition means \_\_\_\_\_ (insert name of taxing unit) will be permitted to issue the bonds."

(e) In the case of a request to issue bonds and the board's rejection of the bond issue, the counterpetition must read as follows:

"The county board of tax and capital projects review rejected a bond issue for \_\_\_\_\_ (insert name of taxing unit). A remonstrance petition has been filed to permit the bond issue. Should the \_\_\_\_\_ (insert the name of the taxing unit) not be permitted to issue bonds for the purpose of financing \_\_\_\_\_ (insert description of project)? Signing this counterpetition means \_\_\_\_\_ (insert name of taxing unit) will not be permitted to issue the bonds."

(f) In the case of a request to enter into a lease and the board's approval of the request, the counterpetition must read as follows:

"The county board of tax and capital projects review approved a lease for \_\_\_\_\_ (insert name of taxing unit). A remonstrance petition has been filed to prevent the lease. Should the \_\_\_\_\_ (insert the name of the taxing unit) be permitted to enter into a lease for \_\_\_\_\_ (insert description of project)? Signing this counterpetition means \_\_\_\_\_ (insert name of taxing unit) will be permitted to enter into the lease."

(g) In the case of a request to enter into a lease and the board's rejection of the request, the counterpetition must read as follows:

"The county board of tax and capital projects review rejected a lease for \_\_\_\_\_ (insert name of taxing unit). A remonstrance petition has been filed to permit the lease. Should the \_\_\_\_\_ (insert the name of the taxing unit) not be permitted to enter into a lease for \_\_\_\_\_ (insert description of project)? Signing this counterpetition means \_\_\_\_\_ (insert name of taxing unit) will not be permitted to enter into the lease."

**Sec. 20.** If the board's decision is to permit a taxing unit to use a property tax rate that is greater than the taxing unit's maximum permitted rate for the previous year and the decision is not reversed by the petition procedure prescribed by this chapter, the new rate becomes the permitted maximum tax rate.

**Sec. 21.** When the proper officers of a taxing unit decide to issue

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bonds, they shall adopt an ordinance or a resolution that sets forth their determination to issue the bonds. The taxing unit may not advertise for or receive bids for the construction of an improvement to be financed by the bonds until the expiration of the later of:

(1) if:

(A) no remonstrance petition is filed under section 16 of this chapter; or

(B) a filed remonstrance petition does not satisfy the requirements of section 16(d) of this chapter; the period within which taxpayers may file a remonstrance petition against the proposed bond issue under section 16 of this chapter; or

(2) if a remonstrance petition is filed that satisfies the requirements of section 16(d) of this chapter, the period during which taxpayers may file a counterpetition under section 17 of this chapter.

**Sec. 22.** A taxpayer affected by a determination of the board under this chapter may appeal to the Indiana tax court alleging that the board did not follow the procedure set forth in this chapter. The appeal must state the procedural error and comply with any other requirements of the court. The tax court shall give priority to appeals filed under this section over other cases before the court and make a decision as soon as possible.

**Sec. 23. (a)** This section applies during a period during which:

(1) a remonstrance petition is or may be filed under section 16 of this chapter; or

(2) a counterpetition is or may be filed under section 17 of this chapter.

**(b)** A taxing unit seeking to issue bonds or enter into a lease may not promote a position on the petition or remonstrance by doing any of the following:

(1) Allowing facilities or equipment, including mail and messaging systems, owned by the taxing unit to be used for public relations purposes to promote a position on the petition or remonstrance, unless equal access to the facilities or equipment is given to persons with a position opposite to that of the taxing unit.

(2) Making an expenditure of money from a fund controlled by the taxing unit to promote a position on the petition or remonstrance (except as necessary to explain the project to the public) or to pay for the gathering of signatures on a

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petition or remonstrance. This subdivision does not prohibit a taxing unit from making an expenditure of money to an attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project.

(3) Using an employee to promote a position on the petition or remonstrance during the employee's normal working hours or paid overtime.

(4) In the case of a school corporation, promoting a position on a petition or remonstrance by:

(A) using students to transport written materials to their residences; or

(B) including a statement within another communication sent to the students' residences.

This section does not prohibit an employee of the taxing unit from carrying out duties with respect to a petition or remonstrance that are part of the normal and regular conduct of the employee's office or agency.

(c) A person may not solicit or collect signatures for a petition or remonstrance on property owned or controlled by the taxing unit.

SECTION 22. IC 6-1.1-18-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. When fixing a budget, tax rate, and tax levy under IC 6-1.1-17-5, **except as provided in IC 6-1.1-17.5**, the officers of a political subdivision may not fix a budget or tax levy which exceeds the amount published by the political subdivision. **Except as provided in IC 6-1.1-17.5**, the portion of a budget or tax levy which exceeds the published amount is void.

SECTION 23. IC 6-1.1-18-2, AS AMENDED BY P.L.224-2007, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. The state may not impose a tax rate on tangible property in excess of thirty-three hundredths of one cent (\$0.0033) on each one hundred dollars (\$100) of assessed valuation. The state tax rate is not subject to review by ~~county boards of tax adjustment (before January 1, 2009)~~, county boards of tax and capital projects review ~~(after December 31, 2008)~~, or county auditors. This section does not apply to political subdivisions of the state.

SECTION 24. IC 6-1.1-18-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their

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1 proposed additional appropriation. The notice shall state the time and  
 2 place at which a public hearing will be held on the proposal. The notice  
 3 shall be given once in accordance with IC 5-3-1-2(b).

4 (b) If the additional appropriation by the political subdivision is  
 5 made from a fund that receives:

6 (1) distributions from the motor vehicle highway account  
 7 established under IC 8-14-1-1 or the local road and street account  
 8 established under IC 8-14-2-4; or

9 (2) revenue from property taxes levied under IC 6-1.1;

10 the political subdivision must report the additional appropriation to the  
 11 department of local government finance. If the additional appropriation  
 12 is made from a fund described under this subsection, subsections (f),  
 13 (g), (h), and (i) apply to the political subdivision.

14 (c) However, if the additional appropriation is not made from a fund  
 15 described under subsection (b), subsections (f), (g), (h), and (i) do not  
 16 apply to the political subdivision. ~~Subsections (f), (g), (h), and (i) do~~  
 17 ~~not apply to an additional appropriation made from the cumulative~~  
 18 ~~bridge fund if the appropriation meets the requirements under~~  
 19 ~~IC 8-16-3-3(c).~~

20 (d) A political subdivision may make an additional appropriation  
 21 without approval of the department of local government finance if the  
 22 additional appropriation is made from a fund that is not described  
 23 under subsection (b). However, the fiscal officer of the political  
 24 subdivision shall report the additional appropriation to the department  
 25 of local government finance.

26 (e) After the public hearing, the proper officers of the political  
 27 subdivision shall file a certified copy of their final proposal and any  
 28 other relevant information to the department of local government  
 29 finance.

30 (f) When the department of local government finance receives a  
 31 certified copy of a proposal for an additional appropriation under  
 32 subsection (e), the department shall determine whether sufficient funds  
 33 are available or will be available for the proposal. The determination  
 34 shall be made in writing and sent to the political subdivision not more  
 35 than fifteen (15) days after the department of local government finance  
 36 receives the proposal.

37 (g) In making the determination under subsection (f), the  
 38 department of local government finance shall limit the amount of the  
 39 additional appropriation to revenues available, or to be made available,  
 40 which have not been previously appropriated.

41 (h) If the department of local government finance disapproves an  
 42 additional appropriation under subsection (f), the department shall

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1 specify the reason for its disapproval on the determination sent to the  
2 political subdivision.

3 (i) A political subdivision may request a reconsideration of a  
4 determination of the department of local government finance under this  
5 section by filing a written request for reconsideration. A request for  
6 reconsideration must:

7 (1) be filed with the department of local government finance  
8 within fifteen (15) days of the receipt of the determination by the  
9 political subdivision; and

10 (2) state with reasonable specificity the reason for the request.

11 The department of local government finance must act on a request for  
12 reconsideration within fifteen (15) days of receiving the request.

13 SECTION 25. IC 6-1.1-18-11, AS AMENDED BY P.L.2-2006,  
14 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JANUARY 1, 2009]: Sec. 11. If there is a conflict between the  
16 provisions of this chapter and the provisions of **IC 6-1.1-17.5**,  
17 IC 6-1.1-19, IC 6-1.1-18.5, IC 20-45, or IC 20-46, the provisions of  
18 **IC 6-1.1-17.5**, IC 6-1.1-19, IC 6-1.1-18.5, IC 20-45, and IC 20-46  
19 control with respect to the adoption of, review of, and limitations on  
20 budgets, tax rates, and tax levies.

21 SECTION 26. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006,  
22 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JANUARY 1, 2009]: Sec. 1. As used in this chapter:

24 "Ad valorem property tax levy for an ensuing calendar year" means  
25 the total property taxes imposed by a civil taxing unit for current  
26 property taxes collectible in that ensuing calendar year.

27 "Adopting county" means any county in which the county adjusted  
28 gross income tax is in effect.

29 "**Bonds**" has the meaning set forth in **IC 6-1.1-17.5-2**.

30 "Civil taxing unit" means any taxing unit except a school  
31 corporation.

32 "Maximum permissible ad valorem property tax levy for the  
33 preceding calendar year" means the greater of:

34 (1) the remainder of:

35 (A) the civil taxing unit's maximum permissible ad valorem  
36 property tax levy for the calendar year immediately preceding  
37 the ensuing calendar year, as that levy was determined under  
38 section 3 of this chapter; minus

39 (B) one-half (1/2) of the remainder of:

40 (i) the civil taxing unit's maximum permissible ad valorem  
41 property tax levy referred to in clause (A); minus

42 (ii) the civil taxing unit's ad valorem property tax levy for

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the calendar year immediately preceding the ensuing calendar year referred to in subdivision (2); or  
 (2) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year; as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget; levy; and rate for that preceding calendar year under IC 6-1.1-17; and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year; as determined by the department of local government finance.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4.5 for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.

"Lease rental" has the meaning set forth in IC 6-1.1-17.5-2.

"Maximum permissible property tax rate" means the tax rate determined under section 3 of this chapter.

SECTION 27. IC 6-1.1-18.5-3, AS AMENDED BY P.L.224-2007, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Except as ~~otherwise~~ provided in this chapter and IC 6-3.5-8-12, **for property taxes first due and payable before 2010**, a civil taxing unit that is treated as not being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, that was used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of subsection (b) for that preceding calendar year.  
 STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

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STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten-thousandth (0.0001)), of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

(b) Except as otherwise provided in this chapter and IC 6-3.5-8-12, a civil taxing unit that is treated as being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of this subsection for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

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STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

STEP EIGHT: Subtract the amount determined under STEP FIVE of subsection (e) from the amount determined under STEP SEVEN of this subsection.

(c) If a civil taxing unit in the immediately preceding calendar year provided an area outside its boundaries with services on a contractual basis and in the ensuing calendar year that area has been annexed by the civil taxing unit, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals the amount paid by the annexed area during the immediately preceding calendar year for services that the civil taxing unit must provide to that area during the ensuing calendar year as a result of the annexation. In all other cases, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals zero (0).

(d) This subsection applies only to civil taxing units located in a county having a county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as of January 1 of the ensuing calendar year. For each civil taxing unit, the amount to be added to the amount determined in subsection (e), STEP FOUR, is determined using the following formula:

STEP ONE: Multiply the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year by two percent (2%).

STEP TWO: For the determination year, the amount to be used as the STEP TWO amount is the amount determined in subsection (f) for the civil taxing unit. For each year following the determination year the STEP TWO amount is the lesser of:

(A) the amount determined in STEP ONE; or

(B) the amount determined in subsection (f) for the civil taxing unit.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the civil taxing unit's certified share for the ensuing calendar year minus the greater of:

(i) the civil taxing unit's certified share for the calendar year that immediately precedes the ensuing calendar year; or

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- 1 (ii) the civil taxing unit's base year certified share.
- 2 STEP FOUR: Determine the greater of:
- 3 (A) zero (0); or
- 4 (B) the amount determined in STEP TWO minus the amount
- 5 determined in STEP THREE.
- 6 Add the amount determined in STEP FOUR to the amount determined
- 7 in subsection (e), STEP THREE, as provided in subsection (e), STEP
- 8 FOUR.
- 9 (e) For each civil taxing unit, the amount to be subtracted under
- 10 subsection (b), STEP EIGHT, is determined using the following
- 11 formula:
- 12 STEP ONE: Determine the lesser of the civil taxing unit's base
- 13 year certified share for the ensuing calendar year, as determined
- 14 under section 5 of this chapter, or the civil taxing unit's certified
- 15 share for the ensuing calendar year.
- 16 STEP TWO: Determine the greater of:
- 17 (A) zero (0); or
- 18 (B) the remainder of:
- 19 (i) the amount of federal revenue sharing money that was
- 20 received by the civil taxing unit in 1985; minus
- 21 (ii) the amount of federal revenue sharing money that will be
- 22 received by the civil taxing unit in the year preceding the
- 23 ensuing calendar year.
- 24 STEP THREE: Determine the lesser of:
- 25 (A) the amount determined in STEP TWO; or
- 26 (B) the amount determined in subsection (f) for the civil taxing
- 27 unit.
- 28 STEP FOUR: Add the amount determined in subsection (d),
- 29 STEP FOUR, to the amount determined in STEP THREE.
- 30 STEP FIVE: Subtract the amount determined in STEP FOUR
- 31 from the amount determined in STEP ONE.
- 32 (f) As used in this section, a taxing unit's "determination year"
- 33 means the latest of:
- 34 (1) calendar year 1987, if the taxing unit is treated as being
- 35 located in an adopting county for calendar year 1987 under
- 36 section 4 of this chapter;
- 37 (2) the taxing unit's base year, as defined in section 5 of this
- 38 chapter, if the taxing unit is treated as not being located in an
- 39 adopting county for calendar year 1987 under section 4 of this
- 40 chapter; or
- 41 (3) the ensuing calendar year following the first year that the
- 42 taxing unit is located in a county that has a county adjusted gross

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1 income tax rate of more than one-half percent (0.5%) on July 1 of  
2 that year.

3 The amount to be used in subsections (d) and (e) for a taxing unit  
4 depends upon the taxing unit's certified share for the ensuing calendar  
5 year, the taxing unit's determination year, and the county adjusted gross  
6 income tax rate for resident county taxpayers (as defined in  
7 IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of  
8 the year preceding the ensuing calendar year. For the determination  
9 year and the ensuing calendar years following the taxing unit's  
10 determination year, the amount is the taxing unit's certified share for  
11 the ensuing calendar year multiplied by the appropriate factor  
12 prescribed in the following table:

COUNTIES WITH A TAX RATE OF 1/2%		
	Subsection (e)	
Year	Factor	
For the determination year and each ensuing		
calendar year following the determination year . . . . .	0	
COUNTIES WITH A TAX RATE OF 3/4%		
	Subsection (e)	
Year	Factor	
For the determination year and each ensuing		
calendar year following the determination year . . . . .	1/2	
COUNTIES WITH A TAX RATE OF 1.0%		
	Subsection (d)	Subsection (e)
Year	Factor	Factor
For the determination year . . . . .	1/6	1/3
For the ensuing calendar year		
following the determination year . . . . .	1/4	1/3
For the ensuing calendar year		
following the determination year		
by two (2) years . . . . .	1/3	1/3

32 (g) This subsection applies only to property taxes first due and  
33 payable after ~~December 31, 2007~~ **and before 2010**. This subsection  
34 applies only to a civil taxing unit that is located in a county for which  
35 a county adjusted gross income tax rate is first imposed or is increased  
36 in a particular year under IC 6-3.5-1.1-24 or a county option income tax  
37 rate is first imposed or is increased in a particular year under  
38 IC 6-3.5-6-30. Notwithstanding any provision in this section or any  
39 other section of this chapter and except as provided in subsection (h),  
40 the maximum permissible ad valorem property tax levy calculated  
41 under this section for the ensuing calendar year for a civil taxing unit  
42 subject to this section is equal to the civil taxing unit's maximum

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permissible ad valorem property tax levy for the current calendar year.

(h) This subsection applies only to property taxes first due and payable after ~~December 31, 2007~~ **and before 2010**. In the case of a civil taxing unit that:

(1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and

(2) is partially located in a county that is not described in subdivision (1);

the department of local government finance shall, notwithstanding subsection (g), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (g), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2).

**(i) Except as provided in subsection (j) and IC 6-1.1-17.5, for property taxes first due and payable after 2009, a civil taxing unit may not use an ad valorem property tax rate for an ensuing calendar year that exceeds the rate used by the civil taxing unit for property taxes first due and payable in 2009 for the following funds:**

**(1) The rate used by the civil taxing unit for the combination of all funds other than the civil taxing unit's social service funds, debt service fund, and cumulative or capital development funds, and excluding the rate imposed to raise money needed to meet the unit's obligations for the 1925 police pension fund (IC 36-8-6), the 1937 firefighter's pension fund (IC 36-8-7), and the 1953 police pension fund (IC 36-8-7.5).**

**(2) The rate used by the civil taxing unit for its cumulative and capital development funds.**

**(3) The rate used by the civil taxing unit for its social service**

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funds. Social service funds include property taxes levied under the authority of the following:

- (A) IC 12-13-8-5.
- (B) IC 12-16-14-3.
- (C) IC 12-19-7-3.
- (D) IC 12-19-7.5-5.
- (E) IC 12-20.

(j) The maximum permissible property tax rate shall be adjusted each year to equal the quotient of:

- (1) the maximum permissible property tax rate for the year preceding the ensuing calendar year; divided by
- (2) the tax rate adjustment.

As used in this subsection, the tax rate adjustment is one (1) plus the percentage increase in the implicit price deflator for construction costs, as published by the Bureau of Census, or a similar index if the implicit price deflator is no longer published. The department of local government finance shall determine the tax rate adjustment. To determine the adjustment, the department of local government finance shall use the change in the implicit price deflator from the last quarter of the year that precedes the ensuing calendar year by three (3) years to the last quarter of the year that precedes the ensuing calendar year by two (2) years. The department of local government finance shall publish the tax rate adjustment in the Indiana Register before March 1 of the year preceding the ensuing calendar year. The tax rate is further adjusted applying the same formula that applies to the school capital projects fund rate under IC 20-45-3-7(h). The tax rate after this further adjustment becomes the unit's maximum permissible tax rate.

SECTION 28. IC 6-1.1-18.5-7, AS AMENDED BY P.L.224-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) **For property taxes first due and payable before 2010**, a civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to the ~~local government tax control board established by section 11 of this chapter (before January 1, 2009) or the county board of tax and capital~~

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1 projects review ~~(after December 31, 2008)~~ before the **budget**, tax levy,  
 2 **is and tax rate are** advertised. The ~~local government tax control board~~  
 3 ~~(before January 1, 2009)~~ or the county board of tax and capital projects  
 4 review ~~(after December 31, 2008)~~ shall then review and make a  
 5 recommendation to the department of local government finance on the  
 6 civil taxing unit's budget, ad valorem property tax levy, and property  
 7 tax rate for that calendar year. The department of local government  
 8 finance shall make a final determination of the civil taxing unit's  
 9 budget, ad valorem property tax levy, and property tax rate for that  
 10 calendar year. However, a civil taxing unit may not impose a property  
 11 tax levy for a year if the unit did not exist as of March 1 of the  
 12 preceding year.

13 **(c) For property taxes first due and payable after 2009, a civil**  
 14 **taxing unit is not subject to the rate limits imposed by section 3 of**  
 15 **this chapter for an ensuing calendar year if the civil taxing unit did**  
 16 **not adopt an ad valorem property tax levy for the immediately**  
 17 **preceding calendar year.**

18 **(d) If under subsection (c) a civil taxing unit is not subject to the**  
 19 **rate limits imposed under section 3 of this chapter for a calendar**  
 20 **year, the civil taxing unit shall refer its proposed property tax rate**  
 21 **for that calendar year to the county board of tax and capital**  
 22 **projects review before the budget, tax levy, and tax rate are**  
 23 **advertised. The county board of tax and capital projects review**  
 24 **shall then review and set the civil taxing unit's property tax rate**  
 25 **for that calendar year, subject to IC 6-1.1-17.5. However, a civil**  
 26 **taxing unit may not impose a property tax levy for a year if the**  
 27 **unit did not exist as of March 1 of the preceding year.**

28 SECTION 29. IC 6-1.1-18.5-8, AS AMENDED BY P.L.224-2007,  
 29 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2009]: Sec. 8. (a) **For property taxes first due and**  
 31 **payable before 2010**, the ad valorem property tax levy limits imposed  
 32 by section 3 of this chapter do not apply to ad valorem property taxes  
 33 imposed by a civil taxing unit if the civil taxing unit is committed to  
 34 levy the taxes to pay or fund either:

- 35 (1) bonded indebtedness; or
- 36 (2) lease rentals under a lease with an original term of at least five
- 37 (5) years.

38 **(b) For property taxes first due and payable after 2009, the tax**  
 39 **rate attributable to the part of a civil taxing unit's levy that is used**  
 40 **to pay lease rentals and debt service on bonds may not exceed the**  
 41 **rate necessary to pay the lease rentals and debt service on leases**  
 42 **and bonds that:**

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(1) existed on April 1, 2009; and  
 (2) are not paid when the rate is determined;  
 plus any lease rentals and debt service on leases and bonds  
 approved by the county board of tax and capital projects review  
 under IC 6-1.1-17.5 after April 1, 2009.

(b) This subsection does not apply to bonded indebtedness incurred  
 or leases executed for a capital project approved by a county board of  
 tax and capital projects review under IC 6-1.1-29.5 after December 31,  
 2008. A civil taxing unit must file a petition requesting approval from  
 the department of local government finance to incur bonded  
 indebtedness or execute a lease with an original term of at least five (5)  
 years not later than twenty-four (24) months after the first date of  
 publication of notice of a preliminary determination under  
 IC 6-1.1-20-3.1(2), unless the civil taxing unit demonstrates that a  
 longer period is reasonable in light of the civil taxing unit's facts and  
 circumstances. (c) A civil taxing unit must obtain approval from the  
 department of local government finance **appropriate county board of  
 tax and capital projects review under IC 6-1.1-17.5** before the civil  
 taxing unit may:

- (1) incur the bonded indebtedness; or
- (2) enter into the a lease.

Before January 1, 2009, the department of local government finance  
 may seek recommendations from the local government tax control  
 board established by section 11 of this chapter when determining  
 whether to authorize incurring the bonded indebtedness or the  
 execution of the lease.

(c) The department of local government finance shall render a  
 decision within three (3) months after the date it receives a request for  
 approval under subsection (b). However, the department of local  
 government finance may extend this three (3) month period by an  
 additional three (3) months if, at least ten (10) days before the end of  
 the original three (3) month period, the department sends notice of the  
 extension to the executive officer of the civil taxing unit. A civil taxing  
 unit may petition for judicial review of the final determination of the  
 department of local government finance under this section. The petition  
 must be filed in the tax court not more than forty-five (45) days after  
 the department enters its order under this section.

(d) A civil taxing unit does not need approval under subsection (b)  
**subsection (c)** to obtain temporary loans made in anticipation of and  
 to be paid from current revenues of the civil taxing unit actually levied  
 and in the course of collection for the fiscal year in which the loans are  
 made.

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(e) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter **for property taxes first due and payable before 2010**, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years **referred to in** subsection (a).

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

(f) For purposes of computing the ad valorem property tax rate limits imposed on a civil taxing unit by section 3 of this chapter **for property taxes first due and payable after 2009**, the civil taxing unit's ad valorem property tax rate for a calendar year does not include that part of its rate that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years **referred to in subsection (b).**

SECTION 30. IC 6-1.1-18.5-14, AS AMENDED BY P.L.224-2007, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. (a) The local government tax control board (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) may recommend to the department of local government finance a correction of any advertising error, mathematical error, or error in data made at the local level for any calendar year that affects the determination of the limitations established by section 3 of this chapter or the tax rate or levy of a civil taxing unit. The department of local government finance may on its own initiative correct ~~such~~ an advertising error, mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year shall be applied to the civil taxing unit's levy limitations, rate, and levy for the ensuing calendar year to offset any cumulative effect that the error caused in the determination of the civil taxing unit's levy limitations, rate, or levy for the ensuing calendar year.

SECTION 31. IC 6-1.1-19-5.3, AS AMENDED BY P.L.2-2006, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5.3. The department of local government finance ~~may~~ **shall** correct mathematical errors in data for any school corporation **that affect the determination of a school corporation's property tax rate or levy.**

SECTION 32. IC 6-1.1-20.6-9, AS AMENDED BY P.L.1-2007,

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SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) This section applies only to credits under this chapter against property taxes first due and payable before January 1, 2007.

(b) The fiscal body of a county may adopt an ordinance to authorize the county fiscal officer to borrow money repayable over a term not to exceed five (5) years in an amount sufficient to compensate the political subdivisions located wholly or in part in the county for the reduction of property tax collections in a calendar year that results from the application of the credit under this chapter for that calendar year.

(c) The county fiscal officer shall distribute in a calendar year to each political subdivision located wholly or in part in the county loan proceeds under subsection (b) for that calendar year in the amount by which the property tax collections of the political subdivision in that calendar year are reduced as a result of the application of the credit under this chapter for that calendar year.

(d) If the county fiscal officer distributes money to political subdivisions under subsection (c), the political subdivisions that receive the distributions shall repay the loan under subsection (b) over the term of the loan. Each political subdivision that receives a distribution under subsection (c):

(1) shall:

(A) appropriate for each year in which the loan is to be repaid an amount sufficient to pay the part of the principal and interest on the loan attributable to the distribution received by the political subdivision under subsection (c); and

(B) raise property tax revenue in each year in which the loan is to be repaid in the amount necessary to meet the appropriation under clause (A); and

(2) other than the county, shall transfer to the county fiscal officer money dedicated under this section to repayment of the loan in time to allow the county to meet the loan repayment schedule.

~~(e) Property taxes imposed under subsection (d)(1)(B) are subject to levy limitations under IC 6-1.1-18.5 or IC 20-45-3.~~

~~(f) The obligation to:~~

~~(1) repay; or~~

~~(2) contribute to the repayment of;~~

~~the loan under subsection (b) is not a basis for a political subdivision to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 20-45-6.~~

~~(g) (e)~~ The application of the credit under this chapter results in a reduction of the property tax collections of each political subdivision in which the credit is applied. A political subdivision may not increase

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its property tax levy to make up for that reduction.

~~(h)~~ (f) The county auditor shall in each calendar year notify each political subdivision in which the credit under this chapter is applied of the reduction referred to in subsection (c) for the political subdivision for that year.

SECTION 33. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2007, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) **(repealed)** and IC 6-1.1-18.5-13(5) **(repealed)** filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 **(repealed)** filed after December 31, 1983; plus

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(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county) (before its repeal); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 (before its repeal) or IC 20-46-6 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 (before its repeal) or IC 20-46-3 for a racial balance fund; plus

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(iii) IC 36-12-12 for a library capital projects fund; plus  
 (iv) IC 36-10-13-7 for an art association fund; plus  
 (v) IC 21-2-17 (before its repeal) or IC 20-46-2 for a special education preschool fund; plus  
 (vi) IC 21-2-11.6 (before its repeal) or IC 20-46-1 **(before its repeal)** for a referendum tax levy fund; plus  
 (vii) an appeal filed under IC 6-1.1-19-5.1 (before its repeal) or IC 20-45-6-8 **(before its repeal)** for an increase in a school corporation's maximum permissible tuition support levy for certain transfer tuition costs; plus  
 (viii) an appeal filed under IC 6-1.1-19-5.4 (before its repeal) or IC 20-46-4-10 **(before its repeal)** for an increase in a school corporation's maximum permissible transportation fund levy for transportation operating costs; minus  
 (H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19-4.5 (before its repeal), including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 (before its repeal), IC 20-45-3, or any other law; minus  
 (I) for each township in the county, the lesser of:  
 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE (as effective January 1, 1990) or IC 6-1.1-18.5-19(b) STEP THREE (as effective January 1, 1990), whichever ~~is~~ **was** applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) (as effective before January 1, 1989), filed after December 31, 1982; or  
 (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus  
 (J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 **(before its repeal)** for that same year; minus

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- (K) for each county, the sum of:
- (i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN (as effective January 1, 1995) for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b) (as effective before March 16, 2004) and IC 12-19-7-4 (as effective after March 15, 2004); and
  - (ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 (before its repeal) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN (as effective January 1, 1995) for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) (as effective before March 16, 2004) and IC 12-19-7-4 (as effective after March 15, 2004) for property taxes payable in each year after 1995; plus
- (2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus
- (3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus
- (4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus
- (5) the difference between:
- (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus
  - (B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).
- (h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.
- (i) "Tax duplicate" means the roll of property taxes that each county auditor is required to prepare each year under IC 6-1.1-22-3.
- (j) "Eligible property tax replacement amount" is, except as otherwise provided by law, equal to the sum of the following:

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(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

- (1) held for sale in the ordinary course of a trade or business; or
- (2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means, except as otherwise provided by law, the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

(o) "Board" refers to the property tax replacement fund board established under section 10 of this chapter.

SECTION 34. IC 6-1.1-21-9, AS AMENDED BY P.L.234-2007, SECTION 298, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) On or before October 15 of each year, each county auditor shall, make a settlement with the

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department as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the first eight (8) months of that same year. On or before December 31 of each year, each county auditor shall make a settlement with the department along with the filing of the county auditor's December settlement as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the last four (4) months of that same year. If the aggregate credits allowed during either period exceed the property tax replacement funds allocated and distributed to the county treasurer for that same period, as provided in sections 4 and 5 of this chapter, then the department shall certify the amount of the excess to the auditor of state who shall issue a warrant, payable from the property tax replacement fund, to the treasurer of the state ordering the payment of the excess to the county treasurer. If the distribution exceeds the aggregate credits, the county treasurer shall repay to the treasurer of the state the amount of the excess, which shall be redeposited in the property tax replacement fund.

(b) In making the settlement required by subsection (a), the county auditor shall recognize the fact that any loss of revenue resulting from the provision of homestead credits in excess of the percentage credit allowed in IC 6-1.1-20.9-2(d) must be paid from county option income revenues.

(c) Except as otherwise provided in this chapter, the state board of accounts with the cooperation of the department shall prescribe the accounting forms, records, and procedures required to carry out the provisions of this chapter.

(d) Not later than November 15 of each year, the budget agency shall determine whether the amount distributed to counties under section 10 of this chapter for state property tax replacement credits and state homestead credits is less than the amount available, as determined by the budget agency, from the appropriation to the property tax replacement board for distribution as state property tax replacement credits and state homestead credits. If the amount distributed is less than the available appropriation, the budget agency shall apportion the excess among the counties in proportion to the final determination of state property tax replacement credits and state homestead credits for each county and certify the excess amount for each county to the department and the department of local government finance. The department shall distribute the certified additional amount for a county to the county treasurer before December 15 of the year. Not later than December 31 in the year, the county treasurer shall allocate the certified additional amount among the taxing units in the county in

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1 proportion to the part of the total county tax levy imposed by each  
 2 taxing unit. ~~The taxing unit shall deposit the allocated amount in the~~  
 3 ~~taxing unit's levy excess fund under established under IC 6-1.1-18.5-17~~  
 4 ~~or IC 20-40-10. The allocated amount shall be treated in the same~~  
 5 ~~manner as a levy excess (as defined in IC 6-1.1-18.5-17 and~~  
 6 ~~IC 20-44-3-2) and shall be used only to reduce the part of the county~~  
 7 ~~tax levy imposed by the taxing unit in the immediately following year.~~

8 SECTION 35. IC 6-1.1-21.2-15, AS AMENDED BY P.L.224-2007,  
 9 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JANUARY 1, 2009]: Sec. 15. (a) A tax levied under this chapter shall  
 11 be certified by the department of local government finance to the  
 12 auditor of the county in which the district is located and shall be:

13 (1) estimated and entered upon the tax duplicates by the county  
 14 auditor; and

15 (2) collected and enforced by the county treasurer;  
 16 in the same manner as state and county taxes are estimated, entered,  
 17 collected, and enforced.

18 (b) As the tax is collected by the county treasurer, it shall be  
 19 transferred to the governing body and accumulated and kept in the  
 20 special fund for the allocation area.

21 (c) A tax levied under this chapter:

22 (1) **for taxes first due and payable before 2010** is exempt from  
 23 the levy limitations imposed under IC 6-1.1-18.5 **and is not**  
 24 **subject to IC 6-1.1-20 (repealed);** and

25 (2) ~~is not subject to IC 6-1.1-20.~~ **for taxes first due and payable**  
 26 **before 2010 is exempt from the rate limitations imposed under**  
 27 **IC 6-1.1-18.5.**

28 (d) Notwithstanding any other provision of this chapter or  
 29 IC 6-1.1-20.6, a governing body may file with the county auditor a  
 30 certified statement providing that for purposes of computing and  
 31 applying a credit under IC 6-1.1-20.6 for a particular calendar year, a  
 32 taxpayer's property tax liability does not include the liability for a tax  
 33 levied under this chapter. The department of local government finance  
 34 shall adopt the form of the certified statement that a governing body  
 35 may file under this subsection. The department of local government  
 36 finance shall establish procedures governing the filing of a certified  
 37 statement under this subsection. If a governing body files a certified  
 38 statement under this subsection, then for purposes of computing and  
 39 applying a credit under IC 6-1.1-20.6 for the specified calendar year,  
 40 a taxpayer's property tax liability does not include the liability for a tax  
 41 levied under this chapter.

42 (e) A tax levied under this chapter and the use of revenues from a

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1 tax levied under this chapter by a governing body do not create a  
 2 constitutional or statutory debt, pledge, or obligation of the governing  
 3 body, the district, or any unit.

4 SECTION 36. IC 6-1.1-21.5-5, AS AMENDED BY P.L.2-2006,  
 5 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JANUARY 1, 2009]: Sec. 5. (a) The board shall determine the terms  
 7 of a loan made under this chapter. However, interest may not be  
 8 charged on the loan, and the loan must be repaid not later than ten (10)  
 9 years after the date on which the loan was made.

10 (b) The loan shall be repaid only from property tax revenues of the  
 11 qualified taxing unit that are subject to the ~~levy tax rate~~ limitations  
 12 imposed by IC 6-1.1-18.5 or IC 20-45-3. The payment of any  
 13 installment of principal constitutes a first charge against such property  
 14 tax revenues as collected by the qualified taxing unit during the  
 15 calendar year the installment is due and payable.

16 ~~(c) The obligation to repay the loan is not a basis for the qualified~~  
 17 ~~taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or~~  
 18 ~~IC 20-45-6.~~

19 ~~(d)~~ (c) Whenever the board receives a payment on a loan made  
 20 under this chapter, the board shall deposit the amount paid in the  
 21 counter-cyclical revenue and economic stabilization fund.

22 ~~(e)~~ (d) This section may not be construed to prevent the qualified  
 23 taxing unit from repaying a loan made under this chapter before the  
 24 date specified in subsection (a) if a taxpayer described in section 3 of  
 25 this chapter resumes paying property taxes to the qualified taxing unit.

26 SECTION 37. IC 6-1.1-21.5-6, AS AMENDED BY P.L.2-2006,  
 27 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JANUARY 1, 2009]: Sec. 6. (a) The receipt by the qualified taxing unit  
 29 of the loan proceeds is not considered to be part of the ad valorem  
 30 property tax levy actually collected by the qualified taxing unit for  
 31 taxes first due and payable during a particular calendar year **before**  
 32 **2010** for the purpose of calculating the levy excess under  
 33 IC 6-1.1-18.5-17 and IC 20-44-3. The receipt by the qualified taxing  
 34 unit of any payment of delinquent tax owed by a taxpayer in bankruptcy  
 35 is considered to be part of the ad valorem property tax levy actually  
 36 collected by the qualified taxing unit for taxes first due and payable  
 37 during a particular calendar year **before 2010** for the purpose of  
 38 calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3.

39 (b) The loan proceeds and any payment of delinquent tax may be  
 40 expended by the qualified taxing unit only to pay debts of the qualified  
 41 taxing unit that have been incurred pursuant to duly adopted  
 42 appropriations ~~approved by the department of local government finance~~

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for operating expenses.

(c) In the event the sum of the receipts of the qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and payable in 2001; exceeds sixteen million dollars (\$16,000,000), the excess as received during any calendar year or years **before 2010** shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 20-44-3. In calculating the payment of property taxes as provided in subdivision (2), the amount of property tax credit finally allowed under IC 6-1.1-21-5 in respect to such taxes is considered a payment of such property taxes.

(d) As used in this section, "delinquent tax" means any tax owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and that is not paid during the calendar year for which it was first due and payable.

SECTION 38. IC 6-1.1-21.7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) A taxing unit may apply for a loan under this chapter.

(b) A taxing unit qualifies for a loan under this chapter for a fund if:

(1) the United States Congress limits or terminates its authorization for a taxing unit to impose a property tax on a taxpayer;

(2) the lost revenue for at least one (1) fund, as determined under section 10, STEP THREE of this chapter, is at least five percent (5%) of the property tax revenues for the fund that the taxing unit would have received in the current year if the United States Congress had not limited or terminated payments from the taxpayer to the taxing unit, as determined under section 10, STEP TWO of this chapter; and

(3) the taxing unit appeals to the department of local government finance for emergency financial relief under this chapter. ~~in the same manner as an appeal for emergency relief under IC 6-1.1-18.5-12 or IC 6-1.1-19-4.1.~~

The appeal required under subdivision (3) may be filed at any time.

(c) A taxing unit may receive a loan to replace lost revenue only for the first five (5) years in which the taxing unit loses revenue as a result of an act of the United States Congress described in subsection (b)(1).

SECTION 39. IC 6-1.1-21.8-4, AS AMENDED BY P.L.2-2006, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) The board shall determine the terms

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of a loan made under this chapter. However, the interest charged on the loan may not exceed the percent of increase in the United States Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers during the most recent twelve (12) month period for which data is available as of the date that the unit applies for a loan under this chapter. In the case of a qualified taxing unit that is not a school corporation or a public library (as defined in IC 36-12-1-5), a loan must be repaid not later than ten (10) years after the date on which the loan was made. In the case of a qualified taxing unit that is a school corporation or a public library (as defined in IC 36-12-1-5), a loan must be repaid not later than eleven (11) years after the date on which the loan was made. A school corporation or a public library (as defined in IC 36-12-1-5) is not required to begin making payments to repay a loan until after June 30, 2004. The total amount of all the loans made under this chapter may not exceed twenty-eight million dollars (\$28,000,000). The board may disburse the proceeds of a loan in installments. However, not more than one-third (1/3) of the total amount to be loaned under this chapter may be disbursed at any particular time without the review of the budget committee and the approval of the budget agency.

(b) A loan made under this chapter shall be repaid only from:

- (1) property tax revenues of the qualified taxing unit that are subject to the ~~levy~~ **rate** limitations imposed by IC 6-1.1-18.5 or IC 20-45-3;
- (2) in the case of a school corporation, the school corporation's debt service fund; or
- (3) any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment of principal constitutes a first charge against the property tax revenues described in subdivision (1) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

~~(c) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 20-45-6.~~

~~(d)~~ **(c)** Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

~~(e)~~ **(d)** This section does not prohibit a qualified taxing unit from repaying a loan made under this chapter before the date specified in subsection (a) if a taxpayer described in section 3 of this chapter resumes paying property taxes to the qualified taxing unit.

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(f) (e) Interest accrues on a loan made under this chapter until the date the board receives notice from the county auditor that the county has adopted at least one (1) of the following:

- (1) The county adjusted gross income tax under IC 6-3.5-1.1.
- (2) The county option income tax under IC 6-3.5-6.
- (3) The county economic development income tax under IC 6-3.5-7.

Notwithstanding subsection (a), interest may not be charged on a loan made under this chapter if a tax described in this subsection is adopted before a qualified taxing unit applies for the loan.

SECTION 40. IC 6-1.1-21.8-5, AS AMENDED BY P.L.2-2006, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. The maximum amount that the board may loan to a qualified taxing unit is determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of the taxpayer's property taxes due and payable in November 2001 that are attributable to the qualified taxing unit as determined by the department of local government finance.

STEP TWO: Multiply the STEP ONE amount by one and thirty-one thousandths (1.031).

STEP THREE: Multiply the STEP TWO product by two (2).

STEP FOUR: Add the STEP ONE amount to the STEP THREE product.

However, in the case of a qualified taxing unit that is a school corporation, the amount determined under STEP FOUR shall be reduced by the board to the extent that the school corporation receives relief in the form of adjustments to the school corporation's assessed valuation under ~~IC 20-45-4-7~~ or IC 6-1.1-17-0.5.

SECTION 41. IC 6-1.1-21.8-6, AS AMENDED BY P.L.2-2006, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) As used in this section, "delinquent tax" means any tax:

- (1) owed by a taxpayer in a bankruptcy proceeding initially filed in 2001; and
- (2) not paid during the calendar year in which it was first due and payable.

(b) Except as provided in subsection (d), the proceeds of a loan received by the qualified taxing unit under this chapter are not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year **before 2010** for the purpose of

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calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3. The receipt by a qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year **before 2010** for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3.

(c) The proceeds of a loan made under this chapter must first be used to retire any outstanding loans made by the department of commerce (including any loans made by the department of commerce that are transferred to the Indiana economic development corporation) to cover a qualified taxing unit's revenue shortfall resulting from the taxpayer's default on property tax payments. Any remaining proceeds of a loan made under this chapter and any payment of delinquent taxes by the taxpayer may be expended by the qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

(d) If the sum of the receipts of a qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding and payable in November 2001, May 2002, or November 2002;

exceeds the sum of the taxpayer's property tax liability attributable to the qualified taxing unit for property taxes payable in November 2001, May 2002, and November 2002, the excess as received during any calendar year or years shall be set aside and treated for ~~the~~ **a** calendar year **before 2010** when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 20-44-3. In calculating the payment of property taxes as referred to in subdivision (2), the amount of property tax credit finally allowed under IC 6-1.1-21-5 in respect to those taxes is considered to be a payment of those property taxes.

SECTION 42. IC 6-1.1-21.9-3, AS ADDED BY P.L.114-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) The board, not later than December 31, 2007, and after review by the budget committee, shall determine the terms of a loan made under this chapter, subject to the following:

(1) The board may not charge interest on the loan.

(2) The loan must be repaid not later than ten (10) years after the date on which the loan was made.

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(3) The terms of the loan must allow for prepayment of the loan without penalty.

(4) The maximum amount of the loan that a qualifying taxing unit may receive with respect to a default described in section 1(c)(3) of this chapter on one (1) or more payments of property taxes first due and payable in a calendar year is the amount, as determined by the board, of revenue shortfall for the qualifying taxing unit that results from the default for that calendar year.

(5) The total amount of all loans under this chapter for all calendar years may not exceed thirteen million dollars (\$13,000,000).

(b) The board may disburse in installments the proceeds of a loan made under this chapter.

(c) A qualified taxing unit may repay a loan made under this chapter from any of the following:

(1) Property tax revenues of the qualified taxing unit that are subject to the levy limitations. ~~imposed by IC 6-1.1-18.5 or IC 6-1.1-19.~~

(2) Property tax revenues of the qualified taxing unit that are not subject to levy limitations. ~~as provided in IC 6-1.1-18.5-21 or IC 6-1.1-19-13.~~

(3) The qualified taxing unit's debt service fund.

(4) Any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment on a loan made under this chapter constitutes a first charge against the property tax revenues described in subdivision (1) or (2) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

~~(d) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.~~

~~(e)~~ (d) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

SECTION 43. IC 6-1.1-21.9-4, AS ADDED BY P.L.114-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) As used in this section, "delinquent tax" means any tax not paid during the calendar year in which the tax was first due and payable.

(b) Except as provided in subsection (c), the following are not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable

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during a particular calendar year **before 2010** for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7:

(1) The proceeds of a loan received by the qualified taxing unit under this chapter.

(2) The receipt by a qualified taxing unit of any payment of delinquent tax owed by a qualified taxpayer.

(c) Delinquent tax owed by a qualified taxpayer received by a qualified taxing unit:

(1) must first be used toward the retirement of an outstanding loan made under this chapter; and

(2) is considered, only to the extent that the amount received exceeds the amount of the outstanding loan, to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year **before 2010** for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

(d) If a qualified taxpayer pays delinquent tax during the term of repayment of an outstanding loan made under this chapter, the remaining loan balance is repayable in equal installments over the remainder of the original term of repayment.

(e) Proceeds of a loan made under this chapter may be expended by a qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

SECTION 44. IC 6-1.1-22-3, AS AMENDED BY P.L.67-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Except as provided in subsection (b), the auditor of each county shall, before March 15 of each year, prepare a roll of property taxes payable in that year for the county. This roll shall be known as the "tax duplicate" and shall show:

(1) the value of all the assessed property of the county;

(2) the person liable for the taxes on the assessed property; and

(3) any other information that the state board of accounts, with the advice and approval of the department of local government finance, may prescribe.

(b) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county auditor completes preparation of the tax duplicate under subsection (a), the county auditor shall complete preparation of the tax duplicate when the appeal is resolved by the department of local government finance.

(c) If the county auditor receives a copy of an appeal petition under

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1 IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) after the county auditor  
 2 completes preparation of the tax duplicate under subsection (a); the  
 3 county auditor shall prepare a revised tax duplicate when the appeal is  
 4 resolved by the department of local government finance that reflects  
 5 the action of the department.

6 (d) (b) The county auditor shall comply with the instructions issued  
 7 by the state board of accounts for the preparation, preservation,  
 8 alteration, and maintenance of the tax duplicate. The county auditor  
 9 shall deliver a copy of the tax duplicate prepared under subsection (a)  
 10 to the county treasurer when preparation of the tax duplicate is  
 11 completed.

12 SECTION 45. IC 6-1.1-22-5, AS AMENDED BY P.L.67-2006,  
 13 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JANUARY 1, 2009]: Sec. 5. (a) Except as provided in subsections (b)  
 15 and (c), on or before March 15 of each year, the county auditor shall  
 16 prepare and deliver to the auditor of state and the county treasurer a  
 17 certified copy of an abstract of the property, assessments, taxes,  
 18 deductions, and exemptions for taxes payable in that year in each  
 19 taxing district of the county. The county auditor shall prepare the  
 20 abstract in such a manner that the information concerning property tax  
 21 deductions reflects the total amount of each type of deduction. The  
 22 abstract shall also contain a statement of the taxes and penalties unpaid  
 23 in each taxing unit at the time of the last settlement between the county  
 24 auditor and county treasurer and the status of these delinquencies. The  
 25 county auditor shall prepare the abstract on the form prescribed by the  
 26 state board of accounts. The auditor of state, county auditor, and county  
 27 treasurer shall each keep a copy of the abstract as a public record.

28 (b) If the county auditor receives a copy of an appeal petition under  
 29 IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county auditor  
 30 prepares and delivers the certified copy of the abstract under subsection  
 31 (a), the county auditor shall prepare and deliver the certified copy of  
 32 the abstract when the appeal is resolved by the department of local  
 33 government finance.

34 (c) If the county auditor receives a copy of an appeal petition under  
 35 IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) after the county auditor  
 36 prepares and delivers the certified copy of the abstract under subsection  
 37 (a), the county auditor shall prepare and deliver a certified copy of a  
 38 revised abstract when the appeal is resolved by the department of local  
 39 government finance that reflects the action of the department.

40 SECTION 46. IC 6-1.1-22-9, AS AMENDED BY P.L.219-2007,  
 41 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JANUARY 1, 2009]: Sec. 9. (a) Except as provided in subsections (b)

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and (c) the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

- (1) Subsection (c).
- (2) Subsection (d).
- (3) Subsection (h).
- (4) Subsection (i).
- (5) IC 6-1.1-7-7.
- (6) Section 9.5 of this chapter.

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county treasurer mails or transmits statements under section 8(a) of this chapter, the county treasurer may:

- (1) mail or transmit the statements without regard to the pendency of the appeal and; if the resolution of the appeal by the department of local government finance results in changes in levies; mail or transmit reconciling statements under subsection (e); or
- (2) delay the mailing or transmission of statements under section 8(a) of this chapter so that:

(A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and

(B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

- (1) the total amount due for the year;
- (2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) by the department of local government finance;
- (3) if the amount under subdivision (1) exceeds the amount under subdivision (2); the adjusted amount that is payable by the

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taxpayer:

(A) as a final reconciliation of all amounts due for the year;  
and

(B) not later than:

(i) November 10; or

(ii) the date or dates established under section 9.5 of this  
chapter; and

(4) if the amount under subdivision (2) exceeds the amount under  
subdivision (1); that the taxpayer may claim a refund of the excess  
under IC 6-1.1-26.

(f) (d) If property taxes are not paid on or before the due date, the  
penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
taxes.

(g) (e) Notwithstanding any other law, a property tax liability of less  
than five dollars (\$5) is increased to five dollars (\$5). The difference  
between the actual liability and the five dollar (\$5) amount that appears  
on the statement is a statement processing charge. The statement  
processing charge is considered a part of the tax liability.

(h) (f) If in a county the notices of general reassessment under  
IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an  
assessment date in a calendar year are given to the taxpayers in the  
county after March 26 of the immediately succeeding calendar year, the  
property taxes that would otherwise be due under subsection (a) on  
May 10 of the immediately succeeding calendar year are due on the  
later of:

(1) May 10 of the immediately succeeding calendar year; or

(2) forty-five (45) days after the notices are given to taxpayers in  
the county.

(i) (g) If subsection (h) applies, the property taxes that would  
otherwise be due under subsection (a) on November 10 of the  
immediately succeeding calendar year referred to in subsection (h) are  
due on the later of:

(1) November 10 of the immediately succeeding calendar year; or

(2) a date determined by the county treasurer that is not later than  
December 31 of the immediately succeeding calendar year.

SECTION 47. IC 6-1.1-22-9.5, AS AMENDED BY P.L.1-2007,  
SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
JANUARY 1, 2009]: Sec. 9.5. (a) This section applies only to property  
taxes first due and payable in a year that begins after December 31,  
2003:

(1) with respect to a homestead (as defined in IC 6-1.1-20.9-1);  
and

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(2) that are not payable in one (1) installment under section 9(c) of this chapter.

(b) At any time before the mailing or transmission of tax statements for a year under section 8 of this chapter, a county may petition the department of local government finance to establish a schedule of installments for the payment of property taxes with respect to:

(1) real property that are based on the assessment of the property in the immediately preceding year; or

(2) a mobile home or manufactured home that is not assessed as real property that are based on the assessment of the property in the current year.

The county fiscal body (as defined in IC 36-1-2-6) must approve a petition under this subsection.

(c) The department of local government finance:

(1) may not establish a date for:

(A) an installment payment that is earlier than May 10 of the year in which the tax statement is mailed or transmitted;

(B) the first installment payment that is later than November 10 of the year in which the tax statement is mailed or transmitted; or

(C) the last installment payment that is later than May 10 of the year immediately following the year in which the tax statement is mailed or transmitted; and

(2) shall:

(A) prescribe the form of the petition under subsection (b);

(B) determine the information required on the form; and

(C) notify the county fiscal body, the county auditor, and the county treasurer of the department's determination on the petition not later than twenty (20) days after receiving the petition.

(d) Revenue from property taxes paid under this section in the year immediately following the year in which the tax statement is mailed or transmitted under section 8 of this chapter ~~(1) is not considered in the determination of a levy excess under IC 6-1.1-18.5-17 or IC 20-44-3 for the year in which the property taxes are paid; and (2) may be:~~

~~(A) (1) used to repay temporary loans entered into by a political subdivision for; and~~

~~(B) (2) expended for any other reason by a political subdivision in the year the revenue is received under an appropriation from; the year in which the tax statement is mailed or transmitted under section 8 of this chapter.~~

SECTION 48. IC 6-1.1-29-4, AS AMENDED BY P.L.224-2007,

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SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. ~~(a)~~ Except as provided in subsection (b), each county board of tax adjustment (before January 1, 2009) or county board of tax and capital projects review (after December 31, 2008), except the board for a consolidated city and county and for a county containing a second class city, shall hold its first meeting of each year ~~for the purpose of reviewing budgets, tax rates, and levies~~ on September 22 or on the first business day after September 22, if September 22 is not a business day. The board for a consolidated city and county and for a county containing a second class city shall hold its first meeting of each year ~~for the purpose of reviewing budgets, tax rates, and levies~~ on the first Wednesday following the adoption of city and county budget, tax rate, and tax levy ordinances. The board shall hold the meeting at the office of the county auditor. At the first meeting of each year, the board shall elect a chairman and a vice-chairman. After this meeting, the board shall continue to meet from day to day at any convenient place until its business is completed. ~~However, the board must, except as provided in subsection (b), complete its duties on or before the date prescribed in IC 6-1.1-17-9(a).~~

~~(b) This section does not limit the ability of the county board of tax and capital projects review to meet after December 31, 2008, at any time during a year to carry out its duties under IC 6-1.1-29.5.~~

SECTION 49. IC 6-1.1-33.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order a special reassessment under this chapter. The review may apply to real property or personal property, or both.

(b) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to the real property within a township or county, or a portion of the real property within a township or county, the division of data analysis of the department shall determine for the real property under consideration and for the township or county the variance between:

- (1) the total assessed valuation of the real property within the township or county; and
- (2) the total assessed valuation that would result if the real property within the township or county were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to personal property within a township or county, or a part of the personal

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property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the personal property within the township or county; and

(2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the coefficient of dispersion study for the township or county in accordance with ~~IC 5-3-1-2(j)~~: **IC 5-3-1-2(i)**.

(f) If:

(1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and

(2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

(1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or

(2) IC 6-1.1-14.

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

(1) the time of the hearing;

(2) the location of the hearing; and

(3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

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(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

- (1) cause the assessment of the property to be adjusted;
- (2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and
- (3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county reassessment fund.

SECTION 50. IC 6-1.1-37-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. An officer of state or local government who recklessly violates or fails to perform a duty imposed on ~~him~~ **the officer** under:

- (1) IC 6-1.1-10-1(b);
- (2) IC 6-1.1-12-6;
- (3) IC 6-1.1-12-7;
- ~~(4) IC 6-1.1-12-8;~~
- ~~(5)~~ **(4)** IC 6-1.1-17-1;
- ~~(6)~~ **(5)** IC 6-1.1-17-3(a);
- ~~(7)~~ **(6)** IC 6-1.1-17-5(d)(1);
- ~~(8) IC 6-1.1-18-1;~~
- ~~(9)~~ **(7)** IC 6-1.1-18-5;
- ~~(10)~~ **(8)** IC 6-1.1-18-6;
- ~~(11) IC 6-1.1-20-5;~~
- ~~(12) IC 6-1.1-20-6;~~
- ~~(13) IC 6-1.1-20-7;~~
- ~~(14)~~ **(9)** IC 6-1.1-30-14; or
- ~~(15)~~ **(10)** IC 6-1.1-36-13;

commits a Class A misdemeanor. In addition, the officer is liable for the damages sustained by a person as a result of the officer's violation of the provision or the officer's failure to perform the duty.

SECTION 51. IC 6-1.1-39-9, AS AMENDED BY P.L.4-2005, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) The fiscal body of a unit may by ordinance authorize the issuance of obligations to the department of commerce under IC 4-4-8 (before its repeal) or to the Indiana economic

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development corporation under IC 5-28-9 payable solely from taxes allocated under section 5 of this chapter. Any obligations issued and payable from taxes allocated under section 5 of this chapter are not general obligations of the unit that established the economic development district under this chapter.

(b) The economic development district created by a unit under this chapter is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the economic development district by providing local public improvements that are of public use and benefit.

(c) The ordinance of a unit authorizing the issuance of obligations must contain a finding of the fiscal body that the proposed industrial development program:

- (1) constitutes a local public improvement;
- (2) provides special benefits to property owners in the district; and
- (3) will be of public use and benefit.

(d) Proceeds of obligations issued under this section, IC 4-4-8 (before its repeal), and IC 5-28-9 may be used to pay for the following:

- (1) The cost of local public improvements.
- (2) Interest on the obligations for the period of construction of the local public improvements plus one (1) year after completion of construction.
- (3) Reasonable debt service reserves.
- (4) Costs of issuance of the obligations.
- (5) Any other reasonable and necessary expenses related to issuance of the obligations.

~~(e) Notwithstanding any other law, IC 6-1-1-20 does not apply to obligations payable solely from tax proceeds allocated under section 5 of this chapter.~~

SECTION 52. IC 6-3.5-1.1-2.5, AS AMENDED BY P.L.184-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2.5. (a) This section applies only to a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000).

(b) As used in this section, "fiscal year" means a twelve (12) month period beginning July 1 and ending June 30.

(c) The county council of a county described in subsection (a) may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and juvenile detention center opened after July 1, 1998.

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(d) Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection (c), the county council may impose the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) on adjusted gross income for fiscal years beginning before July 1, 2011. For fiscal years beginning after June 30, 2011, the rate is reduced to one percent (1%). If the county council imposes the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter.

(e) If a county imposes the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under this section, the revenue derived from a tax rate of one-tenth percent (0.1%) on adjusted gross income:

- (1) shall be paid to the county treasurer;
- (2) may be used only to pay the costs of operating a jail and juvenile detention center opened after July 1, 1998; and
- (3) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5 **for property taxes first due and payable before 2010.**

SECTION 53. IC 6-3.5-1.1-2.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2.7. (a) This section applies to a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

- (1) finance, construct, acquire, improve, renovate, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land; and
- (2) repay bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

- (1) fifteen-hundredths percent (0.15%);
- (2) two-tenths percent (0.2%); or
- (3) twenty-five hundredths percent (0.25%);

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on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, and equipping described in subsection (b) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (c). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of financing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

(e) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5 **for property taxes first due and payable before 2010**; and
- (3) may be pledged to the repayment of bonds issued, or leases entered into, for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique economic development challenges due to underemployment in relation to similarly situated counties. Maintaining low property tax rates is essential to economic development and the use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described under subsection (b), rather than use of property taxes, promotes that purpose.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the redemption of bonds issued; or

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(2) the final payment of lease rentals due under a lease entered into under this section; shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 54. IC 6-3.5-1.1-2.8, AS AMENDED BY P.L.147-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2.8. (a) This section applies to:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); and

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip:

(A) jail facilities;

(B) juvenile court, detention, and probation facilities;

(C) other criminal justice facilities; and

(D) related buildings and parking facilities;

located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and

(2) repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to operate or maintain:

(1) jail facilities;

(2) juvenile court, detention, and probation facilities;

(3) other criminal justice facilities; and

(4) related buildings and parking facilities;

located in the county. A county council of a county described in subsection (a)(1) or (a)(2) may make a determination under both this subsection and subsection (b).

(d) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes a finding and determination set forth in subsection (b) or (c).

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The tax rate may not be imposed at a rate greater than is necessary to carry out the purposes described in subsections (b) and (c), as applicable.

(e) This subsection applies only to a county described in subsection (a)(1). If the county council imposes the tax under this section to pay for the purposes described in both subsections (b) and (c), when:

(1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed; and

(2) all bonds issued (including any refunding bonds) or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;

the county council shall, subject to subsection (d), establish a tax rate under this section by ordinance such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities referred to in subsection (b)(1)(A).

(f) The tax imposed under this section may be imposed only until the last of the following dates:

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed.

(2) The date on which the last of any bonds issued (including any refunding bonds) or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid.

(3) If the county imposing the tax under this section is a county described in subsection (a)(1), the date on which an ordinance adopted under subsection (c) is rescinded.

(g) The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(h) The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the criminal justice facilities revenue fund before making a certified distribution under section 11 of this chapter.

(i) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government

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1 finance in determining the county's maximum permissible  
 2 property tax levy limit under IC 6-1.1-18.5 **for property taxes**  
 3 **first due and payable before 2010;** and

4 (3) may be pledged to the repayment of bonds issued or leases  
 5 entered into for any or all the purposes described in subsection  
 6 (b).

7 (j) Notwithstanding any other law, money remaining in the criminal  
 8 justice facilities revenue fund established under subsection (h) after the  
 9 tax imposed by this section is terminated under subsection (f) shall be  
 10 transferred to the county highway fund to be used for construction,  
 11 resurfacing, restoration, and rehabilitation of county highways, roads,  
 12 and bridges.

13 SECTION 55. IC 6-3.5-1.1-2.9 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2.9. (a) This  
 15 section applies to a county having a population of more than  
 16 twenty-nine thousand (29,000) but less than thirty thousand (30,000).

17 (b) The county council may, by ordinance, determine that additional  
 18 county adjusted gross income tax revenue is needed in the county to:

- 19 (1) finance, construct, acquire, improve, renovate, remodel, or  
 20 equip the county jail and related buildings and parking facilities,  
 21 including costs related to the demolition of existing buildings, the  
 22 acquisition of land, and any other reasonably related costs; and  
 23 (2) repay bonds issued or leases entered into for constructing,  
 24 acquiring, improving, renovating, remodeling, and equipping the  
 25 county jail and related buildings and parking facilities, including  
 26 costs related to the demolition of existing buildings, the  
 27 acquisition of land, and any other reasonably related costs.

28 (c) In addition to the rates permitted by section 2 of this chapter, the  
 29 county council may impose the county adjusted gross income tax at a  
 30 rate of:

- 31 (1) fifteen-hundredths percent (0.15%);  
 32 (2) two-tenths percent (0.2%); or  
 33 (3) twenty-five hundredths percent (0.25%);

34 on the adjusted gross income of county taxpayers if the county council  
 35 makes the finding and determination set forth in subsection (b). The tax  
 36 imposed under this section may be imposed only until the later of the  
 37 date on which the financing on, acquisition, improvement, renovation,  
 38 remodeling, and equipping described in subsection (b) are completed  
 39 or the date on which the last of any bonds issued or leases entered into  
 40 to finance the construction, acquisition, improvement, renovation,  
 41 remodeling, and equipping described in subsection (b) are fully paid.  
 42 The term of the bonds issued (including any refunding bonds) or a

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1 lease entered into under subsection (b)(2) may not exceed twenty-five  
2 (25) years.

3 (d) If the county council makes a determination under subsection  
4 (b), the county council may adopt a tax rate under subsection (c). The  
5 tax rate may not be imposed at a rate greater than is necessary to pay  
6 the costs of financing, acquiring, improving, renovating, remodeling,  
7 and equipping the county jail and related buildings and parking  
8 facilities, including costs related to the demolition of existing  
9 buildings, the acquisition of land, and any other reasonably related  
10 costs.

11 (e) The county treasurer shall establish a county jail revenue fund  
12 to be used only for purposes described in this section. County adjusted  
13 gross income tax revenues derived from the tax rate imposed under this  
14 section shall be deposited in the county jail revenue fund before  
15 making a certified distribution under section 11 of this chapter.

16 (f) County adjusted gross income tax revenues derived from the tax  
17 rate imposed under this section:

- 18 (1) may be used only for the purposes described in this section;
- 19 (2) may not be considered by the department of local government  
20 finance in determining the county's maximum permissible  
21 property tax levy limit under IC 6-1.1-18.5 **for property taxes**  
22 **first due and payable before 2010;** and
- 23 (3) may be pledged to the repayment of bonds issued or leases  
24 entered into for purposes described in subsection (b).

25 (g) A county described in subsection (a) possesses unique  
26 governmental and economic development challenges due to:

- 27 (1) underemployment in relation to similarly situated counties and  
28 the loss of a major manufacturing business;
- 29 (2) an increase in property taxes for taxable years after December  
30 31, 2000, for the construction of a new elementary school; and
- 31 (3) overcrowding of the county jail, the costs associated with  
32 housing the county's inmates outside the county, and the potential  
33 unavailability of additional housing for inmates outside the  
34 county.

35 The use of county adjusted gross income tax revenues as provided in  
36 this chapter is necessary for the county to provide adequate jail  
37 capacity in the county and to maintain low property tax rates essential  
38 to economic development. The use of county adjusted gross income tax  
39 revenues as provided in this chapter to pay any bonds issued or leases  
40 entered into to finance the construction, acquisition, improvement,  
41 renovation, remodeling, and equipping described in subsection (b),  
42 rather than the use of property taxes, promotes those purposes.

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(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

(1) the redemption of bonds issued; or

(2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 56. IC 6-3.5-1.1-3.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.3. (a) This section applies only to a county that:

(1) operates a county jail that is subject to an order that:

(A) was issued by a federal district court before January 1, 2003; and

(B) has not been terminated;

(2) operates a county jail that fails to meet:

(A) American Correctional Association Jail Construction Standards; and

(B) Indiana jail operation standards adopted by the department of correction; and

(3) has insufficient revenue to finance the construction, acquisition, improvement, renovation, and equipping of a county jail and related buildings and parking facilities.

(b) For purposes of this section, "county jail" includes any other penal facility that is:

(1) located in; and

(2) operated by;

the county.

(c) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip a county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land; and

(2) repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

(d) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross

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income of county taxpayers if the county council makes the finding and determination set forth in subsection (c). The tax imposed under this section may be imposed only until the later of the date on which the financing on acquisition, improvement, renovation, and equipping described in subsection (c) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (c) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (c)(2) may not exceed thirty (30) years.

(e) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (d). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of financing, acquiring, improving, renovating, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings and the acquisition of land.

(f) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(g) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5 **for property taxes first due and payable before 2010**; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (c).

(h) A county described in subsection (a) possesses unique economic development challenges due to underemployment in relation to similarly situated counties. Maintaining low property tax rates is essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter, rather than use of property taxes, to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (c) promotes that purpose.

(i) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the redemption of bonds issued; or

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(2) the final payment of lease rentals due under a lease entered into under this section; shall be transferred to the county general fund.

SECTION 57. IC 6-3.5-1.1-3.5, AS AMENDED BY P.L.224-2007, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.5. (a) This section applies only to a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000).

(b) The county council of a county described in subsection (a) may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to fund the operation and maintenance of a jail and justice center.

(c) Notwithstanding section 2 of this chapter, if the county council adopts an ordinance under subsection (b), the county council may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) on adjusted gross income. However, a county may impose the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) for only eight (8) years. After the county has imposed the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) for eight (8) years, the rate is reduced to one percent (1%). If the county council imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%), the county council may decrease the rate or rescind the tax in the manner provided under this chapter.

(d) If a county imposes the county adjusted gross income tax at a rate of one and three-tenths percent (1.3%) under this section, the revenue derived from a tax rate of three-tenths percent (0.3%) on adjusted gross income:

- (1) shall be paid to the county treasurer;
- (2) may be used only to pay the costs of operating and maintaining a jail and justice center; and
- (3) may not be considered by the department of local government finance under any provision of IC 6-1.1-18.5, including the determination of the county's maximum permissible property tax levy **for property taxes first due and payable before 2010.**

SECTION 58. IC 6-3.5-1.1-3.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.6. (a) This section applies only to a county having a population of more than six thousand (6,000) but less than eight thousand (8,000).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

- (1) finance, construct, acquire, improve, renovate, or equip the

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1 county courthouse; and

2 (2) repay bonds issued, or leases entered into, for constructing,  
3 acquiring, improving, renovating, and equipping the county  
4 courthouse.

5 (c) In addition to the rates permitted under section 2 of this chapter,  
6 the county council may impose the county adjusted gross income tax  
7 at a rate of twenty-five hundredths percent (0.25%) on the adjusted  
8 gross income of county taxpayers if the county council makes the  
9 finding and determination set forth in subsection (b). The tax imposed  
10 under this section may be imposed only until the later of the date on  
11 which the financing on, acquisition, improvement, renovation, and  
12 equipping described in subsection (b) is completed or the date on  
13 which the last of any bonds issued or leases entered into to finance the  
14 construction, acquisition, improvement, renovation, and equipping  
15 described in subsection (b) are fully paid. The term of the bonds issued  
16 (including any refunding bonds) or a lease entered into under  
17 subsection (b)(2) may not exceed twenty-two (22) years.

18 (d) If the county council makes a determination under subsection  
19 (b), the county council may adopt a tax rate under subsection (c). The  
20 tax rate may not be imposed for a time greater than is necessary to pay  
21 the costs of financing, constructing, acquiring, renovating, and  
22 equipping the county courthouse.

23 (e) The county treasurer shall establish a county courthouse revenue  
24 fund to be used only for purposes described in this section. County  
25 adjusted gross income tax revenues derived from the tax rate imposed  
26 under this section shall be deposited in the county courthouse revenue  
27 fund before a certified distribution is made under section 11 of this  
28 chapter.

29 (f) County adjusted gross income tax revenues derived from the tax  
30 rate imposed under this section:

- 31 (1) may only be used for the purposes described in this section;
- 32 (2) may not be considered by the department of local government  
33 finance in determining the county's maximum permissible  
34 property tax levy under IC 6-1.1-18.5 **for property taxes first**  
35 **due and payable before 2010;** and
- 36 (3) may be pledged to the repayment of bonds issued or leases  
37 entered into for purposes described in subsection (b).

38 (g) A county described in subsection (a) possesses unique economic  
39 development challenges due to:

- 40 (1) the county's heavy agricultural base;
- 41 (2) the presence of a large amount of state owned property in the  
42 county that is exempt from property taxation; and

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(3) recent obligations of the school corporation in the county that have already increased property taxes in the county and imposed additional property tax burdens on the county's agricultural base. Maintaining low property tax rates is essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b), rather than the use of property taxes, promotes that purpose.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

(1) the redemption of the bonds issued; or

(2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 59. IC 6-3.5-1.1-10, AS AMENDED BY P.L.224-2007, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) Except as provided in subsection (b), one-half (1/2) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (1/2) on November 1 of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Notwithstanding section 9 of this chapter, the initial certified distribution certified for a county under section 9 of this chapter shall be distributed to the county treasurer from the account established for the county under section 8 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:

(1) One-fourth (1/4) on October 1 of the calendar year in which the ordinance was adopted.

(2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

~~Notwithstanding section 11 of this chapter, the part of the certified~~

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distribution received under subdivision (1) that would otherwise be allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or IC 20-44-3. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Except for:

(1) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

(2) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(3) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

(4) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(5) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter;

(6) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

(7) revenue under section 2.6 of this chapter; or

(8) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;

distributions made to a county treasurer under subsections (a) and (b) shall be treated as though they were property taxes that were due and payable during that same calendar year. Except as provided by subsection (b) and sections 24, 25, and 26 of this chapter, the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

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(d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 60. IC 6-3.5-1.1-14, AS AMENDED BY P.L.2-2006, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. (a) In determining the amount of property tax replacement credits civil taxing units and school corporations of a county are entitled to receive during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property that was assessed in that county.

(b) If a civil taxing unit or a school corporation is located in more than one (1) county and receives property tax replacement credits from one (1) or more of the counties, then the property tax replacement credits received from each county shall be used only to reduce the property tax rates that are imposed within the county that distributed the property tax replacement credits.

(c) A civil taxing unit shall treat any property tax replacement credits that it receives or is to receive during a particular calendar year as a part of its property tax levy for that same calendar year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5 **for property taxes first due and payable before 2010.**

(d) Subject to subsection (e), if a civil taxing unit or school corporation of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which property tax replacement credits are being distributed, the civil taxing unit or school corporation is entitled to use the property tax replacement credits distributed to the civil taxing unit or school corporation for any purpose for which a property tax levy could be used.

(e) A school corporation shall treat any property tax replacement credits that the school corporation receives or is to receive during a particular calendar year **before 2010** as a part of its property tax levy for its general fund, debt service fund, capital projects fund, transportation fund, school bus replacement fund, and special education preschool fund in proportion to the levy for each of these funds for that same calendar year for purposes of fixing its budget and for purposes of the maximum permissible tuition support levy limits imposed by IC 20-45-3. A school corporation shall allocate the property tax replacement credits described in this subsection to all six (6) funds in proportion to the levy for each fund.

SECTION 61. IC 6-3.5-1.1-15, AS AMENDED BY P.L.224-2007,

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SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The ~~local government tax control board established by IC 6-1.1-18.5-11 (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The ~~local government tax control board (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the

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1 calendar year during which the certified shares will be received. The  
 2 certified shares may be allocated to or appropriated for any purpose,  
 3 including property tax relief or a transfer of funds to another civil  
 4 taxing unit whose levy was attributed to the civil taxing unit in the  
 5 determination of its attributed allocation amount.

6 SECTION 62. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007,  
 7 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JANUARY 1, 2009]: Sec. 18. (a) The revenue a county auditor  
 9 receives under this chapter shall be used to:

- 10 (1) replace the amount, if any, of property tax revenue lost due to
- 11 the allowance of an increased homestead credit within the county;
- 12 (2) fund the operation of a public communications system and
- 13 computer facilities district as provided in an election, if any, made
- 14 by the county fiscal body under IC 36-8-15-19(b);
- 15 (3) fund the operation of a public transportation corporation as
- 16 provided in an election, if any, made by the county fiscal body
- 17 under IC 36-9-4-42;
- 18 (4) make payments permitted under IC 36-7-15.1-17.5;
- 19 (5) make payments permitted under subsection (i);
- 20 (6) make distributions of distributive shares to the civil taxing
- 21 units of a county; and
- 22 (7) make the distributions permitted under sections 27, 28, 29, 30,
- 23 31, 32, and 33 of this chapter.

24 (b) The county auditor shall retain from the payments of the county's  
 25 certified distribution, an amount equal to the revenue lost, if any, due  
 26 to the increase of the homestead credit within the county. This money  
 27 shall be distributed to the civil taxing units and school corporations of  
 28 the county as though they were property tax collections and in such a  
 29 manner that no civil taxing unit or school corporation shall suffer a net  
 30 revenue loss due to the allowance of an increased homestead credit.

31 (c) The county auditor shall retain:

- 32 (1) the amount, if any, specified by the county fiscal body for a
- 33 particular calendar year under subsection (i), IC 36-7-15.1-17.5,
- 34 IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified
- 35 distribution for that same calendar year; and
- 36 (2) the amount of an additional tax rate imposed under section 27,
- 37 28, 29, 30, 31, 32, or 33 of this chapter.

38 The county auditor shall distribute amounts retained under this  
 39 subsection to the county.

40 (d) All certified distribution revenues that are not retained and  
 41 distributed under subsections (b) and (c) shall be distributed to the civil  
 42 taxing units of the county as distributive shares.

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(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals ~~the allocation amount for the civil taxing unit for the calendar year in which the month falls.~~ **unit's levy that would result from using the maximum permissible ad valorem property tax rate for the year specified in this subsection, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.** The denominator of the fraction equals the sum of the ~~allocation amounts of numerators for~~ all the civil taxing units of the county. ~~for the calendar year in which the month falls.~~

**The year to be used in subdivision (2) is 2009 for all civil taxing units that were permitted to levy ad valorem property taxes during 2009. For a new civil taxing unit in the county that is permitted to levy ad valorem property taxes for the first time after 2009, the year to be used for the new civil taxing unit is the first year the unit is permitted to levy an ad valorem property tax.**

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive

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1 shares shall be changed each month for that same year by reducing the  
 2 amount to be distributed as distributive shares under subsection (e) by  
 3 the amount of distributive shares allocated under subsection (g) for that  
 4 same month. The department of local government finance shall make  
 5 any adjustments required by this subsection and provide them to the  
 6 appropriate county auditors.

7 (i) Notwithstanding any other law, a county fiscal body may pledge  
 8 revenues received under this chapter (other than revenues attributable  
 9 to a tax rate imposed under section 30, 31, or 32 of this chapter) to the  
 10 payment of bonds or lease rentals to finance a qualified economic  
 11 development tax project under IC 36-7-27 in that county or in any other  
 12 county if the county fiscal body determines that the project will  
 13 promote significant opportunities for the gainful employment or  
 14 retention of employment of the county's residents.

15 SECTION 63. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005,  
 16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JANUARY 1, 2009]: Sec. 18.5. (a) This section applies to a county  
 18 containing a consolidated city.

19 (b) Notwithstanding section 18(e) of this chapter, the distributive  
 20 shares that each civil taxing unit in a county containing a consolidated  
 21 city is entitled to receive during a month equals the following:

22 (1) For the calendar year beginning January 1, 1995, calculate the  
 23 total amount of revenues that are to be distributed as distributive  
 24 shares during that month multiplied by the following factor:

25	Center Township	.0251
26	Decatur Township	.00217
27	Franklin Township	.0023
28	Lawrence Township	.01177
29	Perry Township	.01130
30	Pike Township	.01865
31	Warren Township	.01359
32	Washington Township	.01346
33	Wayne Township	.01307
34	Lawrence-City	.00858
35	Beech Grove	.00845
36	Southport	.00025
37	Speedway	.00722
38	Indianapolis/Marion County	.86409

39 (2) Notwithstanding subdivision (1), for the calendar year  
 40 beginning January 1, 1995, the distributive shares for each civil  
 41 taxing unit in a county containing a consolidated city shall be not  
 42 less than the following:

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1	Center Township	\$1,898,145
2	Decatur Township	\$164,103
3	Franklin Township	\$173,934
4	Lawrence Township	\$890,086
5	Perry Township	\$854,544
6	Pike Township	\$1,410,375
7	Warren Township	\$1,027,721
8	Washington Township	\$1,017,890
9	Wayne Township	\$988,397
10	Lawrence-City	\$648,848
11	Beech Grove	\$639,017
12	Southport	\$18,906
13	Speedway	\$546,000

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the ~~maximum permissible total~~ property tax levy under ~~IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5~~ for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the ~~maximum permissible total~~ property tax levies under ~~IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5~~ for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the

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STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the ~~maximum permissible total~~ property tax levy under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the ~~maximum permissible total~~ property tax levies under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

SECTION 64. IC 6-3.5-7-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. (a) The fiscal body of a county, city, or town may issue bonds payable from the county economic development income tax. The bonds must be for economic development projects (as defined in section 13.1 of this chapter).

(b) The fiscal body of a county, city, or town may issue bonds payable from the county economic development income tax for any capital project for which the fiscal body is authorized to issue general obligation bonds. The bonds issued under this section may be payable from the county economic development income tax if the county option income tax or the county adjusted gross income tax is also in effect in the county at the time the bonds are issued.

(c) If there are bonds outstanding that have been issued under this section, or leases in effect under section 21 of this chapter, the body

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that imposed the county economic development income tax may not reduce the county economic development income tax rate below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service on the bonds to their final maturity, plus the highest annual lease payments, unless:

(1) the body that imposed the economic development income tax;

or

(2) any city, town, or county;

pledges all or a portion of its distributive share for the life of the bonds or the term of the lease, in an amount that is sufficient, when combined with the amount pledged by the city, town, or county that issued the bonds, to produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service plus the highest annual lease payments.

(d) For purposes of subsection (c), the determination of a tax rate sufficient to produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service plus the highest annual lease payments shall be based on an average of the immediately preceding three (3) years tax collections, if the tax has been imposed for the last preceding three (3) years. If the tax has not been imposed for the last preceding three (3) years, the body that imposed the tax may not reduce the rate below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service, plus the highest annual lease payments, based upon a study by a qualified public accountant or financial advisor.

~~(e) IC 6-1.1-20 does not apply to the issuance of bonds under this section.~~

~~(f)~~ (e) Bonds issued under this section may be sold at a public sale in accordance with IC 5-1-11 or may be sold at a negotiated sale.

~~(g)~~ (f) After a sale of bonds under this section, the county auditor shall prepare a debt service schedule for the bonds.

~~(h)~~ (g) The general assembly covenants that it will not repeal or amend this chapter in a manner that would adversely affect owners of outstanding bonds issued, or payment of any lease rentals due, under this section.

SECTION 65. IC 6-3.5-7-22.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22.5. (a) This section applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500).

(b) In addition to the rates permitted by section 5 of this chapter, the county council may impose the county economic development income

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1 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted  
 2 gross income of county taxpayers if the county council makes the  
 3 finding and determination set forth in subsection (c).

4 (c) In order to impose the county economic development income tax  
 5 as provided in this section, the county council must adopt an ordinance  
 6 finding and determining that revenues from the county economic  
 7 development income tax are needed to pay the costs of:

8 (1) financing, constructing, acquiring, renovating, and equipping  
 9 the county courthouse, and financing and renovating the former  
 10 county hospital for additional office space, educational facilities,  
 11 nonsecure juvenile facilities, and other county functions,  
 12 including the repayment of bonds issued, or leases entered into for  
 13 constructing, acquiring, renovating, and equipping the county  
 14 courthouse and for renovating the former county hospital for  
 15 additional office space, educational facilities, nonsecure juvenile  
 16 facilities, and other county functions;

17 (2) financing constructing, acquiring, renovating, and equipping  
 18 buildings for a volunteer fire department (as defined in  
 19 IC 36-8-12-2) that provides services in any part of the county; and

20 (3) financing constructing, acquiring, and renovating firefighting  
 21 apparatus or other related equipment for a volunteer fire  
 22 department (as defined in IC 36-8-12-2) that provides services in  
 23 any part of the county.

24 (d) If the county council makes a determination under subsection  
 25 (c), the county council may adopt a tax rate under subsection (b). The  
 26 tax rate may not be imposed at a rate or for a time greater than is  
 27 necessary to pay for the purposes described in this section.

28 (e) The county treasurer shall establish a county option tax revenue  
 29 fund to be used only for the purposes described in this section. County  
 30 economic development income tax revenues derived from the tax rate  
 31 imposed under this section shall be deposited in the county option tax  
 32 revenue fund before making a certified distribution under section 11 of  
 33 this chapter.

34 (f) County economic development income tax revenues derived  
 35 from the tax rate imposed under this section:

- 36 (1) may only be used for the purposes described in this section;
- 37 (2) may not be considered by the department of local government
- 38 finance in determining the county's maximum permissible
- 39 property tax levy limit under IC 6-1.1-18.5 **for property taxes**
- 40 **first due and payable before 2010;** and
- 41 (3) may be pledged to the repayment of bonds issued, or leases
- 42 entered into, for the purposes described in subsection (c).

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(g) A county described in subsection (a) possesses:

(1) unique fiscal challenges to finance the operations of county government due to the county's ongoing obligation to repay amounts received by the county due to an overpayment of the county's certified distribution under IC 6-3.5-1.1-9 for a prior year; and

(2) unique capital financing needs related to the purposes described in subsection (c).

SECTION 66. IC 6-3.5-7-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 23. (a) This section applies only to a county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

(b) The county council may by ordinance determine that, in order to promote the development of libraries in the county and thereby encourage economic development, it is necessary to use economic development income tax revenue to replace library property taxes in the county. However, a county council may adopt an ordinance under this subsection only if all territory in the county is included in a library district.

(c) If the county council makes a determination under subsection (b), the county council may designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The county council may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

(d) The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection (c) shall be deposited in the library property tax replacement fund before certified distributions are made under section 12 of this chapter. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(e) The amount of county economic development income tax revenue dedicated to providing library property tax replacement credits shall, in the manner prescribed in this section, be allocated to public libraries operating in the county and shall be used by those public libraries as property tax replacement credits. The amount of property

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1 tax replacement credits that each public library in the county is entitled  
2 to receive during a calendar year under this section equals the lesser of:

3 (1) the product of:

4 (A) the amount of revenue deposited by the county auditor in  
5 the library property tax replacement fund; multiplied by

6 (B) a fraction described as follows:

7 (i) The numerator of the fraction equals the sum of the total  
8 property taxes that would have been collected by the public  
9 library during the previous calendar year from taxpayers  
10 located within the library district if the property tax  
11 replacement under this section had not been in effect.

12 (ii) The denominator of the fraction equals the sum of the  
13 total property taxes that would have been collected during  
14 the previous year from taxpayers located within the county  
15 by all public libraries that are eligible to receive property tax  
16 replacement credits under this section if the property tax  
17 replacement under this section had not been in effect; or

18 (2) the total property taxes that would otherwise be collected by  
19 the public library for the calendar year if the property tax  
20 replacement credit under this section were not in effect.

21 The department of local government finance shall make any  
22 adjustments necessary to account for the expansion of a library district.  
23 However, a public library is eligible to receive property tax  
24 replacement credits under this section only if it has entered into  
25 reciprocal borrowing agreements with all other public libraries in the  
26 county. If the total amount of county economic development income  
27 tax revenue deposited by the county auditor in the library property tax  
28 replacement fund for a calendar year exceeds the total property tax  
29 liability that would otherwise be imposed for public libraries in the  
30 county for the year, the excess shall remain in the library property tax  
31 replacement fund and shall be used for library property tax replacement  
32 purposes in the following calendar year.

33 (f) Notwithstanding subsection (e), if a public library did not impose  
34 a property tax levy during the previous calendar year, that public  
35 library is entitled to receive a part of the property tax replacement  
36 credits to be distributed for the calendar year. The amount of property  
37 tax replacement credits the public library is entitled to receive during  
38 the calendar year equals the product of:

39 (1) the amount of revenue deposited in the library property tax  
40 replacement fund; multiplied by

41 (2) a fraction. The numerator of the fraction equals the budget of  
42 the public library for that calendar year. The denominator of the

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fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The department of local government finance shall make any adjustments required by this subsection and provide the adjustments to the county auditor.

(g) The department of local government finance shall inform the county auditor of the amount of property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

(h) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed. The amount that must be allocated to each fund equals:

- (1) the amount of property tax replacement credits provided to the public library under this section; multiplied by
- (2) the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the property taxes that would have been collected for each fund by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP THREE: Divide the STEP ONE amount by the STEP TWO amount.

However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the

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various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. ~~Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.~~

(i) For each public library that receives property tax credits under this section, the department of local government finance shall certify to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5 **for property taxes first due and payable before 2010.**

(k) The property tax replacement credits that are received under this section do not reduce the total county tax levy that is used to compute the state property tax replacement credit under IC 6-1.1-21. For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 67. IC 6-3.5-7-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 24. (a) This section applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600).

(b) In addition to the rates permitted by section 5 of this chapter, the county council may impose the county economic development income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (c).

(c) In order to impose the county economic development income tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county economic development income tax are needed to pay the costs of financing,

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1 constructing, acquiring, renovating, and equipping a county jail  
 2 including the repayment of bonds issued, or leases entered into, for  
 3 constructing, acquiring, renovating, and equipping a county jail.

4 (d) If the county council makes a determination under subsection  
 5 (c), the county council may adopt a tax rate under subsection (b). The  
 6 tax rate may not be imposed at a rate or for a time greater than is  
 7 necessary to pay the costs of financing, constructing, acquiring,  
 8 renovating, and equipping a county jail.

9 (e) The county treasurer shall establish a county jail revenue fund  
 10 to be used only for the purposes described in this section. County  
 11 economic development income tax revenues derived from the tax rate  
 12 imposed under this section shall be deposited in the county jail revenue  
 13 fund before making a certified distribution under section 11 of this  
 14 chapter.

15 (f) County economic development income tax revenues derived  
 16 from the tax rate imposed under this section:

- 17 (1) may only be used for the purposes described in this section;
- 18 (2) may not be considered by the department of local government
- 19 finance in determining the county's maximum permissible
- 20 property tax levy limit under IC 6-1.1-18.5 **for property taxes**
- 21 **first due and payable before 2010;** and
- 22 (3) may be pledged to the repayment of bonds issued, or leases
- 23 entered into, for the purposes described in subsection (c).

24 SECTION 68. IC 6-3.5-7-27, AS AMENDED BY P.L.224-2007,  
 25 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JANUARY 1, 2009]: Sec. 27. (a) (a) This section applies to a county  
 27 that:

- 28 (1) operates a courthouse that is subject to an order that:
- 29 (A) is issued by a federal district court;
- 30 (B) applies to an action commenced before January 1, 2003;
- 31 and
- 32 (C) requires the county to comply with the federal Americans
- 33 with Disabilities Act; and
- 34 (2) has insufficient revenues to finance the construction,
- 35 acquisition, improvement, renovation, equipping, and operation
- 36 of the courthouse facilities and related facilities.

37 (b) A county described in this section possesses unique fiscal  
 38 challenges in financing, renovating, equipping, and operating the  
 39 county courthouse facilities and related facilities because the county  
 40 consistently has one (1) of the highest unemployment rates in Indiana.  
 41 Maintaining low property tax rates is essential to economic  
 42 development in the county. The use of economic development income

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1 tax revenues under this section for the purposes described in subsection  
2 (c) promotes that purpose.

3 (c) In addition to actions authorized by section 5 of this chapter, a  
4 county council may, using the procedures set forth in this chapter,  
5 adopt an ordinance to impose an additional county economic  
6 development income tax on the adjusted gross income of county  
7 taxpayers. The ordinance imposing the additional tax must include a  
8 finding that revenues from additional tax are needed to pay the costs of:

9 (1) constructing, acquiring, improving, renovating, equipping, or  
10 operating the county courthouse or related facilities;

11 (2) repaying any bonds issued, or leases entered into, for  
12 constructing, acquiring, improving, renovating, equipping, or  
13 operating the county courthouse or related facilities; and

14 (3) economic development projects described in the county's  
15 capital improvement plan.

16 (d) The tax rate imposed under this section may not exceed  
17 twenty-five hundredths percent (0.25%).

18 (e) If the county council adopts an ordinance to impose an  
19 additional tax under this section, the county auditor shall immediately  
20 send a certified copy of the ordinance to the department by certified  
21 mail. The county treasurer shall establish a county facilities revenue  
22 fund to be used only for the purposes described in subsection (c)(1) and  
23 (c)(2). The amount of county economic development income tax  
24 revenues derived from the tax rate imposed under this section that are  
25 necessary to pay the costs described in subsection (c)(1) and (c)(2)  
26 shall be deposited into the county facilities revenue fund before a  
27 certified distribution is made under section 12 of this chapter. The  
28 remainder shall be deposited into the economic development income  
29 tax funds of the county's units.

30 (f) County economic development income tax revenues derived  
31 from the tax rate imposed under this section may not be used for  
32 purposes other than those described in this section.

33 (g) County economic development income tax revenues derived  
34 from the tax rate imposed under this section that are deposited into the  
35 county facilities revenue fund may not be considered by the department  
36 of local government finance in determining the county's ad valorem  
37 property tax levy for an ensuing calendar year under IC 6-1.1-18.5 **for**  
38 **property taxes first due and payable before 2010.**

39 (h) Notwithstanding section 5 of this chapter, an ordinance may be  
40 adopted under this section at any time. If the ordinance is adopted  
41 before August 1 of a year, a tax rate imposed under this section takes  
42 effect October 1 of that year. If the ordinance is adopted after July 31

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of a year, a tax rate imposed under this section takes effect on the October 1 immediately following adoption of the ordinance.

(i) For a county adopting an ordinance before June 1 in a year, in determining the certified distribution under section 11 of this chapter for the calendar year beginning with the immediately following January 1 and each calendar year thereafter, the department shall take into account the certified ordinance mailed to the department under subsection (e). For a county adopting an ordinance after May 31, the department shall issue an initial or a revised certified distribution for the calendar year beginning with the immediately following January 1. Except for a county adopting an ordinance after May 31, a county's certified distribution shall be distributed on the dates specified under section 16 of this chapter. In the case of a county adopting an ordinance after May 31, the county, beginning with the calendar year beginning on the immediately following January 1, shall receive the entire certified distribution for the calendar year on November 1 of the year.

(j) Notwithstanding any other law, funds accumulated from the county economic development income tax imposed under this section and deposited into the county facilities revenue fund or any other revenues of the county may be deposited into a nonreverting fund of the county to be used for operating costs of the courthouse facilities, juvenile detention facilities, or related facilities. Amounts in the county nonreverting fund may not be used by the department of local government finance to reduce the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5 **for property taxes first due and payable before 2010.**

SECTION 69. IC 6-3.5-8-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) If the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11(a) of this chapter, the department of local government finance may not certify a budget for the municipality under IC 6-1.1-17-16(f) for the 2002 calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the 2001 calendar year. The department of local government finance may not certify a budget for the municipality under ~~IC 6-1.1-17-16(f)~~ **IC 6-1.1-17-16(c)** for any later calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year that immediately precedes the later calendar year.

(b) If the fiscal body of a municipality in a qualifying county adopts an ordinance in a calendar year under section 11(c) of this chapter, the department of local government finance may not certify a budget for

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the municipality under ~~IC 6-1.1-17-16(f)~~ **IC 6-1.1-17-16(c)** for the calendar year that immediately succeeds the calendar year in which the ordinance is adopted that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year in which the ordinance was adopted. The department of local government finance may not certify a budget for the municipality under ~~IC 6-1.1-17-16(f)~~ **IC 6-1.1-17-16(c)** for any later calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year that immediately precedes the later calendar year.

(c) Before July 1 of 2002 and of each year thereafter, the department of local government finance shall review the budget approved for each municipality in a qualifying county in which a municipal option income tax is in effect to determine whether the restriction under subsection (a) or (b) has been applied. If the restriction has not been applied:

(1) the municipal option income tax is rescinded as of July 1 of the year in which the review was made;

(2) the municipality may not impose the municipal option income tax for any later year; and

(3) the municipality is:

(A) subject to subsection (d), if the municipality adopted the municipal option income tax in 2002; or

(B) subject to subsection (e), if the municipality adopted the municipal option income tax in a year that succeeds 2002.

(d) In May 2003, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after August 31, 2001, and before July 1, 2002. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this subsection from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located.

(e) In May 2004, and in May of each year thereafter, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after June 30 of the calendar year that precedes by two (2) years the calendar year in which the determination is made and before July 1 of the year that immediately precedes the calendar year in which the determination is made. The department of state revenue shall immediately notify the municipality of the amount determined under

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1 this subsection. Not later than thirty (30) days after receiving  
 2 notification from the department of state revenue, the municipality  
 3 shall transfer the amount determined by the department under this  
 4 section from the municipality's general fund to the county family and  
 5 children's fund of the qualifying county in which the municipality is  
 6 located.

7 (f) If a municipality makes a transfer from its general fund to the  
 8 county's family and children's fund as described in subsection (d) or  
 9 (e), the department of local government finance shall reduce by the  
 10 amount transferred the county's ~~maximum family and children's fund~~  
 11 ~~levy under IC 6-1.1-18.5-6~~ **social service funds referred to in**  
 12 **IC 6-1.1-18.5-3(i)(3)** for the calendar year that immediately succeeds  
 13 the year in which the transfer is made.

14 (g) This subsection applies if the fiscal body of a municipality in a  
 15 qualifying county adopts an ordinance under section 11 of this chapter  
 16 to impose a municipal option income tax. The maximum permissible  
 17 ad valorem property tax levy of the municipality is not subject to any  
 18 increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b) for taxes  
 19 payable in:

- 20 (1) the calendar year that **precedes 2010 and** immediately
- 21 succeeds the calendar year in which the ordinance is adopted; and
- 22 (2) each succeeding calendar year **that precedes 2010** in which
- 23 the municipal option income tax remains in effect.

24 (h) This subsection applies if the fiscal body of a municipality in a  
 25 qualifying county adopts an ordinance under section 14 of this chapter  
 26 to rescind the municipal option income tax, or if the municipal option  
 27 income tax in a municipality is rescinded by operation of law. For  
 28 purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP  
 29 ONE, the preceding calendar year is considered to be the calendar year  
 30 in which an ordinance was adopted under section 11 of this chapter to  
 31 impose the municipal option income tax.

32 SECTION 70. IC 6-3.5-8-20 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 20. (a) The  
 34 department of local government finance shall each year reduce the  
 35 general fund property tax levy of a municipality receiving a distribution  
 36 under this chapter in that year. The municipality's general fund property  
 37 tax levy shall be reduced by the amount of the distribution received or  
 38 to be received by the municipality during the year. The department of  
 39 local government finance shall certify to the auditor of the qualifying  
 40 county the property tax rate applicable to the municipality's general  
 41 fund after the property tax reduction under this section.

42 (b) A municipality shall treat a distribution that the municipality

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receives or is to receive during a particular calendar year as a part of the municipality's property tax levy for the general fund for that same calendar year for purposes of fixing the municipality's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5 **for property taxes first due and payable before 2010**. However, the distributions shall not reduce the total county tax levy that is used to compute the state property tax replacement credit under IC 6-1.1-21. In addition, for purposes of computing and distributing any excise taxes or income taxes in which the distribution is based on property taxes, the distributions shall be treated as though they were property taxes that were due and payable during that same calendar year.

(c) A municipality may use distributions received under this chapter for any purpose for which the municipality may use property tax revenues.

SECTION 71. IC 8-1.5-2-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22. (a) If the municipal legislative body decides that it is impracticable to raise the entire amount necessary to construct or acquire the utility solely by the issuance and sale of revenue bonds, the legislative body may, by ordinance, provide that a part of the amount may be raised by the issuance and sale of bonds pledging the general credit of the municipality.

(b) ~~The bonds shall be issued in accordance with IC 6-1.1-20.~~ The bonds may not exceed one-third (1/3) of the total cost of the utility. This limitation does not apply to a utility to be owned and operated by a municipality exclusively for the purpose of furnishing utility service to the municipality for its own municipal purposes.

SECTION 72. IC 8-1.5-5-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 23. ~~(a) The board may not issue any bonds authorized by this chapter until it has secured the approval for the issuance of the bonds from the fiscal legislative body of the unit served by the department.~~ **municipality.**

~~(b) IC 6-1.1-20 applies to the issuance of bonds under this chapter which are or may be payable from the special benefit property tax.~~

SECTION 73. IC 8-10-5-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. (a) The board of directors of any port authority may, by resolution, recommend to any municipal corporation or county that a cumulative channel maintenance fund be established ~~under IC 6-1.1-41~~ to provide funds for the:

- (1) dredging of channels;
- (2) cleaning of channels and shores of debris and any other

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pollutants;

(3) purchase, renovation, construction, or repair of bulkheads, pilings, docks, and wharves;

(4) purchase and development of land adjoining channels within the jurisdiction of the port authority and which land is necessary to the fulfillment of the plan adopted by the port authority for the future development, construction, and improvement of its facilities. The purchased and developed land shall be available to the residents of the taxing district without further charge; or

(5) regulation and enforcement of regulation of all uses and activities related to waters that are under the jurisdiction of the port authority.

(b) To provide for the cumulative channel maintenance fund:

(1) a county, city, or town fiscal body may levy a tax in compliance with IC 6-1.1-41 not to exceed three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) on all taxable property within the county, town, or city, **subject to IC 6-1.1-18.5-3 for taxes first due and payable after 2009**; and

(2) a city described in sections 22(a) and 23(a) of this chapter may impose the following:

(A) An annual docking fee under section 22 of this chapter.

(B) A marina launch fee under section 23 of this chapter.

(c) The revenue from a tax, an annual docking fee, or a marina launch fee collected under subsection (b) shall be held in the cumulative channel maintenance fund established under subsection (a).

SECTION 74. IC 8-14-9-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) Subject to the limitations imposed by this section, the local county road and bridge board may issue bonds in the name of the qualified county for the benefit of the local county road and bridge district. The bonds shall be issued for the purpose of raising money to acquire lands or rights-of-way, and to pay for any capital improvement, necessary for the construction, reconstruction, or operation of roads or bridges, or both, within the district. The local county road and bridge board may appropriate the proceeds of the bonds.

(b) The amount of bonds to be issued may not exceed the estimated cost of:

(1) all lands and rights-of-way to be acquired;

(2) capital improvements;

(3) supervision and inspection fees during the period of construction or reconstruction;

(4) programming, planning, and designing the capital

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improvements; and

(5) all necessary expenses, including publication of notices, engineering fees, architectural fees, and legal fees, incurred in acquiring property, letting contracts, and selling bonds for the project.

The amount of bonds issued for the project may not exceed the estimated cost determined under section 5(b) of this chapter. In addition, the amount of outstanding bonds issued by a county under this chapter may not exceed two percent (2%) of the adjusted value of taxable property located within the local county road and bridge district as determined under IC 36-1-15.

(c) The local county road and bridge board may issue bonds under this chapter only if the issuance of those bonds has been approved by:

(1) the county council of the qualified county; and

(2) the ~~department of local government finance~~ **county board of tax and capital projects review** as required by IC 6-1.1-18.5-8.

(d) A local county road and bridge board may issue bonds under this chapter only if:

(1) the county motor vehicle excise surtax (IC 6-3.5-4) and the county wheel tax (IC 6-3.5-5) are in effect in the county in which the local county road and bridge district is located;

(2) the county motor vehicle excise surtax is being imposed at the maximum allowable rate; and

(3) the county in which the local county road and bridge district is located has not obtained a loan under IC 8-14-8.

(e) No bonds may be issued under this section after June 30, 1984.

SECTION 75. IC 8-14-9-12, AS AMENDED BY P.L.219-2007, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. All bonds and interest on bonds issued under this chapter are exempt from taxation as provided under IC 6-8-5-1. All general laws relating to:

~~(1) the filing of a petition requesting the issuance of bonds;~~

~~(2) (1) the right of taxpayers and voters to remonstrate against the issuance of bonds; file petitions regarding a decision of a county board of tax and capital projects review;~~

~~(3) (2) the appropriation of the proceeds of the bonds; and the approval of the appropriation by the department of local government finance; and~~

~~(4) (3) the sale of bonds at public sale for not less than par value;~~ are applicable to proceedings under this chapter.

SECTION 76. IC 8-16-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) To provide

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for the cumulative bridge fund, county executives and municipal legislative bodies may levy a tax ~~in compliance with IC 6-1.1-41~~ not to exceed ten cents (\$0.10) on each one hundred dollars (\$100) assessed valuation of all taxable personal and real property within the county or municipality, **subject to IC 6-1.1-18.5 for taxes first due and payable after 2009.**

(b) The tax, when collected, shall be held in a special fund to be known as the bridge fund.

(c) ~~An appropriation from the bridge fund may be made without the approval of the department of local government finance if:~~

~~(1) the county executive requests the appropriation; and~~

~~(2) the appropriation is for the purpose of constructing, maintaining, or repairing bridges, approaches, or grade separations.~~

SECTION 77. IC 8-16-3.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) The executive of any eligible county may provide a major bridge fund ~~in compliance with IC 6-1.1-41~~ to make available funding for the construction of major bridges.

(b) The executive of any eligible county may levy a tax ~~in compliance with IC 6-1.1-41~~ not to exceed three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) assessed valuation of all taxable personal and real property within the county to provide for the major bridge fund, **subject to IC 6-1.1-18.5 for taxes first due and payable after 2009.**

SECTION 78. IC 8-18-21-13, AS AMENDED BY P.L.224-2007, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. The annual operating budget of a toll road authority is subject to **IC 6-1.1-17.5 and** review by the ~~county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) and then by the~~ department of local government finance as in the case of other political subdivisions.

SECTION 79. IC 8-22-3-16, AS AMENDED BY P.L.219-2007, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) The board may issue general obligation bonds of the authority for the purpose of procuring funds to pay the cost of acquiring real property, or constructing, enlarging, improving, remodeling, repairing, or equipping buildings, structures, runways, or other facilities, for use as or in connection with or for administrative purposes of the airport. The issuance of the bonds must be authorized by ordinance of the board providing for the amount,

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terms, and tenor of the bonds and for the time and character of notice and the mode of making sale. If one (1) airport is owned by the authority, an ordinance authorizing the issuance of bonds for a separate second airport is subject to approval as provided in this section. The bonds bear interest and are payable at the times and places that the board determines but running not more than twenty-five (25) years after the date of their issuance, and they must be executed in the name of the authority by the president of the board and attested by the secretary who shall affix to each of the bonds the official seal of the authority. The interest coupons attached to the bonds may be executed by placing on them the facsimile signature of the president of the board.

(b) The issuance of general obligation bonds must be approved by resolution of the following body:

(1) When the authority is established by an eligible entity, by its fiscal body.

(2) When the authority is established by two (2) or more eligible entities acting jointly, by the fiscal body of each of those entities.

(3) When the authority was established under IC 19-6-2, by the mayor of the consolidated city, and if a second airport is to be funded, also by the city-county council.

(4) When the authority was established under IC 19-6-3, by the county council.

(c) The airport director shall manage and supervise the preparation, advertisement, and sale of the bonds, subject to the authorizing ordinance. Before the sale of the bonds, the airport director shall cause notice of the sale to be published once each week for two (2) consecutive weeks in two (2) newspapers of general circulation published in the district, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest bidder, in accordance with the procedures for selling public bonds. After the bonds have been properly sold and executed, the airport director shall deliver them to the treasurer of the authority and take a receipt for them, and shall certify to the treasurer the amount which the purchaser is to pay for them, together with the name and address of the purchaser. On payment of the purchase price the treasurer shall deliver the bonds to the purchaser, and the treasurer and airport director or superintendent shall report their actions to the board.

(d) The provisions of ~~IC 6-1.1-20~~, and IC 5-1, **IC 6-1.1-17.5, and IC 6-1.1-18-5** relating to the filing of a petition requesting the issuance

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of bonds and giving notice of them; the giving of notice of determination to issue bonds, the giving of notice of hearing on the appropriation of the proceeds of bonds and the right of taxpayers to appeal and be heard on the proposed appropriation, ~~the approval of the appropriation by the department of local government finance;~~ the right of taxpayers and voters to remonstrate against the issuance of bonds; **file petitions regarding a county board of tax and capital projects review's decision,** and the sale of bonds at public sale for not less than par value are applicable to proceedings under this chapter for the issuance of general obligation bonds.

(e) Bonds issued under this chapter are not a corporate obligation or indebtedness of any eligible entity but are an indebtedness of the authority as a municipal corporation. An action to question the validity of the bonds issued or to prevent their issue must be instituted not later than the date set for sale of the bonds, and all of the bonds after that date are incontestable.

SECTION 80. IC 8-22-3-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 25. (a) Subject to subsection (c), the board may provide a cumulative building fund ~~in compliance with IC 6-1.1-41~~ to provide for the acquisition of real property, and the construction, enlarging, improving, remodeling, repairing, or equipping of buildings, structures, runways, or other facilities for use in connection with the airport needed to carry out this chapter and to facilitate and support commercial intrastate air transportation.

(b) **Subject to IC 6-1.1-18.5 for taxes first due and payable after 2009,** the board may levy ~~in compliance with IC 6-1.1-41~~ a tax not to exceed:

(1) thirty-three hundredths of one cent (\$0.0033) on each one hundred dollars (\$100) of assessed value of taxable property within the district, if an eligible entity other than a city established the district or if the district was established jointly with an eligible entity that is not a city;

(2) one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of assessed value of taxable property within the district, if the authority was established under IC 19-6-3 (before its repeal on April 1, 1980); and

(3) for any other district not described in subdivision (1) or (2), the following:

Total Assessed	Rate Per \$100 Of
Property Valuation	Assessed Valuation
\$300 million or less	\$0.0167

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1	More than \$300 million	
2	but not more than \$450 million	\$0.0133
3	More than \$450 million	
4	but not more than \$600 million	\$0.01
5	More than \$600 million	
6	but not more than \$900 million	\$0.0067
7	More than \$900 million	\$0.0033

8 As the tax is collected it may be invested in negotiable United States  
 9 bonds or other securities that the federal government has the direct  
 10 obligation to pay. Any of the funds collected that are not invested in  
 11 government obligations shall be deposited in accordance with  
 12 IC 5-13-6 and shall be withdrawn in the same manner as money is  
 13 regularly withdrawn from the general fund but without further or  
 14 additional appropriation. The levy authorized by this section is in  
 15 addition to the levies authorized by section 11 and section 23 of this  
 16 chapter.

17 (c) Spending under subsection (a) to facilitate and support  
 18 commercial intrastate air transportation is subject to a maximum of one  
 19 million dollars (\$1,000,000) cumulatively for all years in which money  
 20 is spent under that subsection.

21 SECTION 81. IC 8-22-3.6-3, AS AMENDED BY P.L.224-2007,  
 22 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JANUARY 1, 2009]: Sec. 3. (a) An authority that is located in a:

- 24 (1) city having a population of more than ninety thousand
- 25 (90,000) but less than one hundred five thousand (105,000);
- 26 (2) county having a population of more than one hundred five
- 27 thousand (105,000) but less than one hundred ten thousand
- 28 (110,000); or
- 29 (3) county having a population of more than three hundred
- 30 thousand (300,000) but less than four hundred thousand
- 31 (400,000);

32 may, **subject to IC 6-1.1-17.5**, enter into a lease of an airport project  
 33 with a lessor for a term not to exceed fifty (50) years and the lease may  
 34 provide for payments to be made by the airport authority from property  
 35 taxes levied under IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9,  
 36 any other revenues available to the airport authority, or any  
 37 combination of these sources.

38 (b) A lease may provide that payments by the authority to the lessor  
 39 are required only to the extent and only for the period that the lessor is  
 40 able to provide the leased facilities in accordance with the lease. The  
 41 terms of each lease must be based upon the value of the facilities leased  
 42 and may not create a debt of the authority or the eligible entity for

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1 purposes of the Constitution of the State of Indiana.

2 (c) A lease may be entered into by the authority only after a public  
3 hearing by the board at which all interested parties are provided the  
4 opportunity to be heard. After the public hearing, the board may adopt  
5 an ordinance authorizing the execution of the lease if it finds that the  
6 service to be provided throughout the term of the lease will serve the  
7 public purpose of the authority and is in the best interest of the  
8 residents of the authority district.

9 (d) Upon execution of a lease providing for payments by the  
10 authority in whole or in part from the levy of property taxes under  
11 IC 8-22-3-17, the board shall publish notice of the execution of the  
12 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more  
13 taxpayers residing in the authority district who will be affected by the  
14 lease and who may be of the opinion that no necessity exists for the  
15 execution of the lease or that the payments provided for in the lease are  
16 not fair and reasonable may file a petition in the office of the county  
17 auditor within thirty (30) days after the publication of the notice of  
18 execution and approval. The petition must set forth the petitioners'  
19 names, addresses, and objections to the lease and the facts showing that  
20 the execution of the lease is unnecessary or unwise or that the  
21 payments provided for in the lease are not fair and reasonable, as the  
22 case may be.

23 (e) Upon the filing of a petition under subsection (d), the county  
24 auditor shall immediately certify a copy of the petition, together with  
25 any other data necessary to present the questions involved, to the  
26 department of local government finance (before January 1, 2009) or the  
27 county board of tax and capital projects review (after December 31,  
28 2008). Upon receipt of the certified petition and information, the  
29 department of local government finance or the county board of tax and  
30 capital projects review shall fix a time and place for a hearing in the  
31 authority district, which must be not less than five (5) or more than  
32 thirty (30) days after the time is fixed. Notice of the hearing shall be  
33 given by the department of local government finance to the members  
34 of the board, and to the first fifty (50) petitioners on the petition, by a  
35 letter signed by one (1) member of the state board of tax commissioners  
36 or the county board of tax and capital projects review and enclosed  
37 with fully prepaid postage sent to those persons at their usual place of  
38 residence, at least five (5) days before the date of the hearing. The  
39 decision of the department of local government finance or the county  
40 board of tax and capital projects review on the appeal, upon the  
41 necessity for the execution of the lease, and as to whether the payments  
42 under it are fair and reasonable, is final.

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(f) (d) An authority entering into a lease payable from any sources permitted under this chapter may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; or

(2) establish a special fund to make the payments.

(g) (e) Lease rentals may be limited to money in the special fund so that the obligations of the airport authority to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) (f) Except as provided in this section, no approvals of any governmental body or agency are required before the authority enters into a lease under this section.

(i) (g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the later of:

(1) the public hearing described in subsection (c). or

(2) the publication of the notice of the execution and approval of the lease described in subsection (d); if the lease is payable in whole or in part from tax levies.

However, if the lease is payable in whole or in part from tax levies, and an appeal has been taken to the department of local government finance or the county board of tax and capital projects review, a remonstrance is filed under IC 6-1.1-17.5-16, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department of local government finance or the county board of tax and capital projects review. **deadline for filing a counterpetition under IC 6-1.1-17.5-17.**

(j) (h) If an authority exercises an option to buy an airport project from a lessor, the authority may subsequently sell the airport project, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the authority through auction, appraisal, or arms length negotiation. If the airport project is sold at auction, after appraisal, or through negotiation, the board shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 82. IC 8-23-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. Whenever the department purchases real property by agreement with the owner of the real property as to purchase price, the department shall, in accordance with ~~IC 5-3-1-2(i)~~, **IC 5-3-1-2(h)**, publish a list of the following:

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(1) The owners from whom the property was purchased.

(2) The number of acres in each property purchased.

(3) The purchase price of each property.

SECTION 83. IC 10-14-4-10, AS AMENDED BY P.L.107-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. This section does not apply to an eligible entity that is an individual. The fiscal officer of an entity receiving a grant under this chapter shall:

(1) establish a separate account within the entity's general fund; and

(2) deposit any grant proceeds received under this chapter in the account.

~~The department of local government finance may not reduce an entity's maximum or actual property tax levy under IC 6-1.1-18.5 on account of grant money deposited in the account.~~

SECTION 84. IC 12-13-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. **(a)** For taxes first due and payable in each year after 2003 **and before 2010**, each county shall impose a medical assistance property tax levy equal to the product of:

(1) the medical assistance property tax levy imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by

(2) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this section will be first due and payable.

If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.

**(b) For property taxes first due and payable after 2009, the levy under subsection (a) is subject to the county's maximum permissible social service property tax rate under IC 6-1.1-18.5.**

SECTION 85. IC 12-16-14-3, AS AMENDED BY P.L.218-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) For taxes first due and payable in 2003, each county shall impose a hospital care for the indigent property

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1 tax levy equal to the product of:

2 (1) the county's hospital care for the indigent property tax levy for  
3 taxes first due and payable in 2002; multiplied by

4 (2) the county's assessed value growth quotient determined under  
5 IC 6-1.1-18.5-2 for taxes first due and payable in 2003.

6 (b) For taxes first due and payable in 2004, and each year after 2004  
7 **and before 2010**, each county shall impose a hospital care for the  
8 indigent property tax levy equal to the hospital care for the indigent  
9 program property tax levy for taxes first due and payable in the  
10 preceding calendar year, multiplied by the statewide average assessed  
11 value growth quotients determined under IC 6-1.1-18.5-2, for the year  
12 in which the tax levy under this subsection is first due and payable.

13 **(c) For property taxes first due and payable after 2009, the levy**  
14 **under subsection (a) is subject to the county's maximum**  
15 **permissible social service property tax rate under IC 6-1.1-18.5.**

16 SECTION 86. IC 12-19-7-4, AS AMENDED BY P.L.224-2007,  
17 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JANUARY 1, 2009]: Sec. 4. (a) Except as provided in subsection (b),  
19 for taxes first due and payable in each year after 2005 **and before**  
20 **2010**, each county shall impose a county family and children property  
21 tax levy equal to the county family and children property tax levy  
22 necessary to pay the costs of the child services of the county for the  
23 next fiscal year.

24 (b) This subsection applies only to property taxes first due and  
25 payable after December 31, 2007, **and before 2010**. This subsection  
26 applies only to a county for which a county adjusted gross income tax  
27 rate is first imposed or is increased in a particular year under  
28 IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or  
29 is increased in a particular year under IC 6-3.5-6-30. Notwithstanding  
30 any provision in this section or any other section of this chapter, for a  
31 county subject to this subsection, the county's family and children  
32 property tax levy under this section for the ensuing calendar year may  
33 not exceed the county's family and children property tax levy for the  
34 current calendar year.

35 ~~(c) The department of local government finance shall review each~~  
36 ~~county's property tax levy under this section and shall enforce the~~  
37 ~~requirements of this section with respect to that levy and comply with~~  
38 ~~IC 6-1.1-17-3.~~

39 **(c) For property taxes first due and payable after 2009, the levy**  
40 **under subsection (a) or (b) is subject to the county's maximum**  
41 **permissible social service property tax rate under IC 6-1.1-18.5.**

42 SECTION 87. IC 12-19-7-7, AS AMENDED BY P.L.234-2005,

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SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) The department shall, with the assistance of the judges of courts with juvenile jurisdiction in the county, after consulting with the division of family resources, and at the same time the budget is compiled and adopted, compute the tax levy that the department and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the department set forth in the budget under section 6 of this chapter.

**(b) For property taxes first due and payable after 2009, the levy under subsection (a) is subject to the county's maximum permissible social service property tax rate under IC 6-1.1-18.5.**

SECTION 88. IC 12-19-7-11, AS AMENDED BY P.L.234-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) In September of each year, at the time provided by law, the county fiscal body shall do the following:

(1) Make the appropriations out of the family and children's fund that are:

(A) based on the budget as submitted; and

(B) necessary to pay the child services of the county for the next fiscal year.

(2) levy a tax in an amount necessary to produce the appropriated money.

**(b) For property taxes first due and payable after 2009, the levy under subsection (a)(2) is subject to the county's maximum permissible social service property tax rate under IC 6-1.1-18.5.**

SECTION 89. IC 12-19-7-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 24. ~~The provisions of laws concerning the right of a taxpayer to file a remonstrance and to appeal to the department of local government finance apply to this chapter. However, the notice of the determination shall be given in one (1) publication. A taxpayer has ten (10) days after the date of publication to file a remonstrance.~~ **IC 6-1.1-17.5 applies to bonds issued under this chapter.**

SECTION 90. IC 12-19-7.5-5, AS AMENDED BY P.L.234-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) A children's psychiatric residential treatment services fund is established in each county. The fund shall be raised by a separate tax levy (the county children's psychiatric residential treatment services property tax levy) that:

(1) is in addition to all other tax levies authorized; and

(2) shall be levied annually by the county fiscal body on all taxable property in the county in the amount necessary to raise the

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part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 8 of this chapter.

**For property taxes first due and payable after 2009, the levy under this subsection is subject to the county's maximum permissible social service property tax rate under IC 6-1.1-18.5.**

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

(c) The following shall be paid into the county treasury and constitute the children's psychiatric residential treatment services fund:

(1) All receipts from the tax imposed under this section.

(2) All grants-in-aid, whether received from the federal government or state government.

(3) Any other money required by law to be placed in the fund.

(d) The fund is available for the purpose of paying expenses and obligations set forth in the annual budget that is submitted and approved.

(e) Money in the fund at the end of a budget year does not revert to the county general fund.

SECTION 91. IC 12-19-7.5-6, AS AMENDED BY P.L.224-2007, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) Except as provided by subsection (b), for taxes first due and payable in each year after 2005 **and before 2010**, each county shall impose a county children's psychiatric residential treatment services property tax levy equal to the county children's psychiatric residential treatment services property tax levy necessary to pay the costs of children's psychiatric residential treatment services of the county for the next fiscal year. **For property taxes first due and payable after 2009, the levy under this subsection is subject to the county's maximum permissible social service property tax rate under IC 6-1.1-18.5.**

(b) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the maximum county children's psychiatric residential treatment services property tax levy for the ensuing calendar year is equal to the maximum county children's psychiatric residential treatment services property tax levy in the current year.

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(c) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 92. IC 12-19-7.5-9, AS AMENDED BY P.L.234-2005, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) The department shall, with the assistance of the judges of courts with juvenile jurisdiction in the county, after consulting with the division of family resources, and at the same time the budget is compiled and adopted, compute the tax levy that the director and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the county office set forth in the budget under section 8 of this chapter.

**(b) For property taxes first due and payable after 2009, the levy under subsection (a) is subject to the county's maximum permissible social service property tax rate under IC 6-1.1-18.5.**

SECTION 93. IC 12-19-7.5-13, AS AMENDED BY P.L.234-2005, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) In September of each year, at the time provided by law, the county fiscal body shall do the following:

(1) Make the appropriations out of the children's psychiatric residential treatment services fund that are:

(A) based on the budget as submitted; and

(B) necessary to pay the children's psychiatric residential treatment services of the county for the next fiscal year.

(2) levy a tax in an amount necessary to produce the appropriated money.

**(b) For property taxes first due and payable after 2009, the levy under subsection (a)(2) is subject to the county's maximum permissible social service property tax rate under IC 6-1.1-18.5.**

SECTION 94. IC 12-20-25-4, AS AMENDED BY P.L.73-2005, SECTION 114, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. As used in this chapter, "distressed township" means:

(1) a township that:

(A) has a valid township assistance claim that the county auditor cannot pay within thirty (30) days after the claim is approved for payment under IC 12-2-1-31 (before its repeal) or IC 12-20-20;

(B) has township assistance expenditures during a year that exceed the year's township assistance revenues, excluding any advances from the state and revenues from short term loans from the county or a financial institution or advances from the

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county from the proceeds of bonds, made or issued under:

(i) this article; or

(ii) IC 12-2-1, IC 12-2-4.5, or IC 12-2-5 (before the repeal of those statutes);

(C) has imposed and dedicated to township assistance at least ninety percent (90%) of ~~the maximum permissible~~ its ad valorem property tax levy; ~~permitted for all of the township's money under IC 6-1.1-18.5;~~ and

(D) has outstanding indebtedness that exceeds one and eight-tenths percent (1.8%) of the township's adjusted value of taxable property in the district as determined under IC 36-1-15; or

(2) a township that:

(A) has been a controlled township during any part of the preceding five (5) years;

(B) has a valid township assistance claim that the county auditor cannot pay within thirty (30) days after the claim is approved for payment under IC 12-2-1-31 (before its repeal) or IC 12-20-20; and

(C) uses advances from the county from proceeds of bonds issued under IC 12-2-1 (before its repeal) or this article.

SECTION 95. IC 12-20-25-32, AS AMENDED BY P.L.73-2005, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 32. (a) As soon as the management committee has completed the financial, compliance, economy, and efficiency audits required by section 15 of this chapter, the management committee shall make a report to the control board. The report must include the following:

(1) The findings of the financial, compliance, economy, and efficiency audits.

(2) An itemization of each creditor's claims against the distressed township that were found to be valid and reasonable.

(3) An itemization of each claim that was found to be invalid.

(4) An itemization of each claim that was found to be unreasonable and on which no settlement was negotiated.

(5) A proposed operating budget for the township trustee's office.

(6) An estimate of future operating and debt service costs for township assistance.

(7) The amount of outstanding township assistance bonds issued and loans incurred by the county and advancements made by the county.

(8) The ~~maximum permissible~~ township assistance levy of the

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1 township. ~~under IC 6-1.1-18.5.~~

2 (b) The county fiscal body may recommend a financial plan to the  
3 management committee that ensures that future revenue increases, if  
4 necessary, come from sources other than ad valorem property taxes  
5 imposed on property within the distressed township and will  
6 accomplish the purposes set forth in section 33(a)(2) of this chapter.  
7 The financial plan may include any of the options set forth in section  
8 34 of this chapter. The management committee shall include any  
9 submitted plan in the committee's report to the control board.

10 SECTION 96. IC 12-20-25-36, AS AMENDED BY P.L.73-2005,  
11 SECTION 136, IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JANUARY 1, 2009]: Sec. 36. ~~(a)~~ Notwithstanding  
13 IC 6-1.1-17, if the county fiscal body:

14 (1) adopts an ordinance under section 35(b)(2) of this chapter; or

15 (2) fails to adopt an ordinance under section 35(b) of this chapter;  
16 the department shall reduce the county's general fund budget and  
17 increase the distressed township's township assistance account budget  
18 in an amount sufficient to satisfy the requirements of section 33(a)(2)  
19 of this chapter. The department shall notify the county auditor and  
20 county treasurer of the county general fund reduction and the county  
21 treasurer shall transfer from the county general fund to the distressed  
22 township's township assistance account the amount specified by the  
23 department.

24 ~~(b) Notwithstanding IC 6-1.1-18.5, if a county is required to transfer~~  
25 ~~money to a distressed township's township assistance account under~~  
26 ~~subsection (a), the county may not appeal for an excessive levy under~~  
27 ~~IC 6-1.1-18.5 to replace money that is transferred from the county~~  
28 ~~general fund.~~

29 SECTION 97. IC 12-20-25-40, AS AMENDED BY P.L.169-2006,  
30 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JANUARY 1, 2009]: Sec. 40. The county treasurer shall deposit the  
32 disbursements from the treasurer of state in a county fund to be known  
33 as the county income tax township assistance control fund.  
34 Notwithstanding IC 6-3.5-1.1 and IC 6-3.5-6, and ~~IC 6-1.1-18.5~~, the  
35 county treasurer shall disburse the money in the fund in the following  
36 priority:

37 (1) To ensure the payment within thirty (30) days of all valid  
38 township assistance claims in the distressed township that are not  
39 covered by subdivision (3).

40 (2) At the end of each calendar year, to redeem any outstanding  
41 bonds issued or repay loans incurred by the county for poor relief  
42 or township assistance purposes under IC 12-2-4.5 (before its

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repeal), IC 12-2-5 (before its repeal), IC 12-20-23 (before its repeal), or IC 12-20-24 to the extent the proceeds of the bonds or loans were advanced to the distressed township.

(3) To pay claims approved under section 27 or 28 of this chapter (or IC 12-2-14-22 or IC 12-2-14-23 before their repeal).

(4) As provided in IC 6-3.5-6 if the county option income tax is imposed under this chapter. If the county adjusted gross income tax is imposed under this chapter, to provide property tax replacement credits for each civil taxing unit and school corporation in the county as provided in IC 6-3.5-1.1. No part of the county adjusted gross income tax revenue is considered a certified share of a governmental unit as provided in IC 6-3.5-1.1-15. In addition, the county adjusted gross income tax revenue (except for the county adjusted gross income tax revenues that are to be treated as property tax replacements under this subdivision) is in addition to and not a part of the revenue of the township for purposes of determining the township's maximum permissible property tax levy. ~~under IC 6-1.1-18.5.~~

SECTION 98. IC 12-29-1-5, AS AMENDED BY P.L.219-2007, SECTION 96, AND AS AMENDED BY P.L.224-2007, SECTION 101, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

~~(1) The filing of a petition requesting the issuance of bonds:~~

~~(2) (1) The giving of notice of the following:~~

~~(A) The filing of the petition requesting the issuance of the bonds.~~

~~(B) (A) The determination to issue bonds.~~

~~(C) (B) A hearing on the appropriation of the proceeds of the bonds.~~

~~(3) (2) The right of taxpayers to appear and be heard on the proposed appropriation.~~

~~(4) (3) The approval of the appropriation by the department of local government finance (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).~~

~~(5) (4) The right of taxpayers and voters to remonstrate against the issuance of bonds: file petitions regarding a decision of a county board of tax and capital projects review.~~

SECTION 99. IC 12-29-2-13, AS AMENDED BY P.L.99-2007, SECTION 151, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) This section applies to Lake County.

(b) In addition to any other appropriation under this article, the county annually may fund each center serving the county from the county's general fund in an amount not exceeding the following:

(1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by seven hundred fifty-two thousandths (0.752).

(2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by seven hundred fifty-two thousandths (0.752).

(c) The receipts from the tax levied under this section shall be used for the leasing, purchasing, constructing, or operating of community residential facilities for individuals with a mental illness (as defined in IC 12-7-2-167).

(d) Money appropriated under this section must be:

(1) budgeted under IC 6-1.1-17; and

(2) included in the center's budget submitted to the division of mental health and addiction.

~~(e) Permission for a levy increase in excess of the levy limitations may be ordered under IC 6-1.1-18.5-15 only if the levy increase is approved by the division of mental health and addiction for a community mental health center.~~

SECTION 100. IC 13-21-3-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15.5. (a) A district may appeal to the department of local government finance under **IC 6-1.1-17.5** to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district with respect to 2001 property taxes payable in 2002:

(1) imposed the maximum property tax rate established under section 12 of this chapter; and

(2) collected property tax revenue in an amount less than the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

~~(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section.~~

~~(c)~~ **(b)** An additional levy granted under this section

~~(1)~~ **(1)** is not part of the total county tax levy (as defined in IC 6-1.1-21-2). ~~and~~

~~(2)~~ **(2)** may not exceed the rate calculated to result in a property tax levy equal to the maximum permissible ad valorem property tax levy determined for the district under ~~IC 6-1.1-18.5.~~

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1 (d) The department of local government finance shall establish the  
2 tax rate if a higher tax rate is permitted:

3 SECTION 101. IC 13-21-3-16, AS AMENDED BY P.L.189-2005,  
4 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JANUARY 1, 2009]: Sec. 16. (a) The requirements of this section:

6 (1) are in addition to the requirements set forth in  
7 IC 6-1.1-18.5-7(b); and

8 (2) do not apply to a district that:

9 (A) owns a landfill;

10 (B) will use property tax revenue to:

11 (i) construct a new landfill cell; or

12 (ii) close a landfill cell;

13 at the landfill; and

14 (C) has received approval from the county fiscal body of the  
15 county in which the landfill is located to construct or close the  
16 landfill cell.

17 (b) To be eligible to include within the district's budget for the  
18 following year tax revenue derived from the imposition of a property  
19 tax, the first year that a property tax will be imposed and any  
20 subsequent year in which the proposed tax levy will increase by five  
21 percent (5%) or more, a board must present identical resolutions to  
22 each of the county fiscal bodies within the district seeking approval for  
23 the use of property tax revenue within the district. The resolution must  
24 state the proposed property tax levy and the proposed use of the  
25 revenue. The resolution must be stated so that:

26 (1) a "yes" vote indicates approval of the levy and the proposed  
27 use of property tax revenue within the district; and

28 (2) a "no" vote indicates disapproval of the levy and the proposed  
29 use of property tax revenue within the district.

30 (c) For a resolution described in subsection (b) to be approved by  
31 the county fiscal body:

32 (1) the county fiscal body must record the vote taken on the  
33 resolution under subsection (b) before May 1 of the year in which  
34 the vote was taken; and

35 (2) the recorded vote must indicate approval of the use of property  
36 tax revenue within the district.

37 (d) If all of the county fiscal bodies within a district do not record  
38 the approval described in subsection (c) before May 1 of the year in  
39 which the vote under subsection (b) was taken, the board may not:

40 (1) impose; or

41 (2) include within the budget of the board;

42 a property tax for the year following the year in which the vote was

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1 taken.

2 (e) Notwithstanding subsection (d), after the first year a tax is  
3 imposed under this section, the resolution required by subsection (b)  
4 for a district that is located in more than two (2) counties need only be  
5 approved by a majority of the county fiscal bodies for the counties in  
6 which the district is located.

7 (f) A district may not issue bonds to be repaid, directly or indirectly,  
8 with money or property tax revenue of the district until:

9 (1) a majority of the members of each of the county fiscal bodies  
10 within a district passes a resolution approving the bond issue; **and**

11 **(2) the district complies with IC 6-1.1-17.5.**

12 SECTION 102. IC 13-21-7-7 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) The waste  
14 management district bonds:

15 (1) are special obligations of the district; ~~and~~

16 (2) are not, in any respect, a corporate obligation or indebtedness  
17 of the units that comprise the district; **and**

18 **(3) are subject to IC 6-1.1-17.5.**

19 (b) The waste management district bonds issued under this chapter  
20 or IC 13-9.5-9-3 (before its repeal) and the interest on the bonds are  
21 payable out of a special tax levied upon all of the property of the  
22 district and any other revenues made available for that purpose under  
23 this article. The waste management district bonds must recite these  
24 terms on the face of the bonds together with the purpose for which the  
25 bonds are issued.

26 SECTION 103. IC 14-27-6-40, AS AMENDED BY P.L.219-2007,  
27 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JANUARY 1, 2009]: Sec. 40. The provisions of IC 5-1, ~~and~~  
29 ~~IC 6-1.1-20 IC 6-1.1-17.5, and IC 6-1.1-18-5~~ relating to the following  
30 apply to proceedings under this chapter:

31 ~~(1) The filing of a petition requesting the issuance of bonds and~~  
32 ~~giving notice of the petition.~~

33 ~~(2)~~ (1) The giving of notice of determination to issue bonds.

34 ~~(3)~~ (2) The giving of notice of hearing on the appropriation of the  
35 proceeds of bonds and the right of taxpayers to appeal and be  
36 heard on the proposed appropriation.

37 ~~(4) The approval of the appropriation by the department of local~~  
38 ~~government finance.~~

39 ~~(5)~~ (3) The right of taxpayers and voters to remonstrate against  
40 the issuance of bonds: **file petitions regarding a decision of the**  
41 **county board of tax and capital projects review.**

42 ~~(6)~~ (4) The sale of bonds at public sale for not less than the par

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SECTION 104. IC 14-27-6-48 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 48. (a) The board may provide a cumulative building fund ~~in compliance with IC 6-1.1-41~~ to provide for the erection of:

(1) levees, gates, and pumping stations; or

(2) other facilities or the addition to or improvement of the facilities on the levees;

needed to carry out this chapter.

(b) ~~In compliance with IC 6-1.1-41~~ The board may levy a property tax not to exceed sixty-seven hundredths of one cent (\$0.0067) on each one hundred dollars (\$100) of taxable property within the district. As the tax is collected, the tax may be invested in negotiable United States bonds or other securities that the federal government has the direct obligation to pay. **For property taxes first due and payable after 2009, the levy under this subsection is subject to the county's maximum permissible social service property tax rate under IC 6-1.1-18.5.**

(c) Any money of the cumulative building fund not invested in government obligations shall be withdrawn from the cumulative building fund in the same manner as money is regularly withdrawn from a general fund but without further or additional appropriation.

SECTION 105. IC 14-33-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. A district may establish a cumulative improvement fund ~~under IC 6-1.1-41~~ to provide money for the construction, additional construction, or repair of the works of improvement the district:

(1) is authorized to construct; and

(2) states in the district plan, or part of or amendment to the plan, is a purpose of the fund.

SECTION 106. IC 14-33-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. The board may levy a special benefits tax ~~in compliance with IC 6-1.1-41~~ in an amount not to exceed three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of real property in the district, except the property that is exempt under IC 14-33-7-4. ~~The board shall file with the district plan or part of or amendment to the plan:~~

~~(1) the approval of the department of local government finance; and~~

~~(2) any action taken to reduce or rescind the tax levy.~~

SECTION 107. IC 16-22-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. The county

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1 officers may establish a cumulative building fund ~~under IC 6-1.1-41~~ or  
 2 a sinking fund ~~in compliance with the procedures for establishing a~~  
 3 ~~cumulative fund under IC 6-1.1-41~~ for the erection of new hospital  
 4 buildings, the repairing, remodeling, and enlarging of old hospital  
 5 buildings, and the equipment of new, enlarged, and old hospitals  
 6 owned and operated by the county, a voluntary nonprofit association,  
 7 or a nonprofit corporation.

8 SECTION 108. IC 16-22-4-4 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. The county  
 10 officers may ~~in compliance with IC 6-1.1-41~~, levy a tax on all taxable  
 11 property within the county to provide money for a fund established  
 12 under this chapter.

13 SECTION 109. IC 16-22-5-4 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. To provide for  
 15 the cumulative building fund, a tax on all taxable property within the  
 16 county may be levied annually for not more than twelve (12) years and  
 17 may not exceed eleven and sixty-seven hundredths cents (\$0.1167) on  
 18 each one hundred dollars (\$100) of assessed valuation of property in  
 19 the county. **For property taxes first due and payable after 2009, the**  
 20 **levy under this subsection is subject to the county's maximum**  
 21 **permissible social service property tax rate under IC 6-1.1-18.5.**

22 SECTION 110. IC 16-22-5-16 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. After a  
 24 hospital is established and the governing board appointed, the county  
 25 executive may issue and sell general obligation bonds of the county to  
 26 finance the costs of or the enlargement or remodeling of hospital  
 27 buildings in an amount certified by the board to the county executive  
 28 to be necessary for that purpose. The bonds shall be authorized, issued,  
 29 and sold in accordance with laws governing the authorization, issuance,  
 30 and sale of general obligation bonds by counties, **including**  
 31 **IC 6-1.1-17.5.** The county fiscal body shall appropriate the proceeds  
 32 of sale of the bonds to the board for the purposes for which the bonds  
 33 have been sold. The county budget shall provide for payment of the  
 34 bonds and the council shall annually levy a tax sufficient to produce  
 35 each year the necessary funds for payment of the principal and interest  
 36 on the bonds according to the terms of the bonds.

37 SECTION 111. IC 16-22-6-24 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 24. (a) A lease:

39 (1) may provide that the lessee has an option to renew the lease  
 40 for a like or lesser term; and

41 (2) must contain an option to purchase at any time after ten (10)  
 42 years from the execution of the lease and before the expiration of

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the term of the lease on a date fixed in the lease at a price equal to the amount required to enable the authority to do the following:

(A) Redeem all outstanding securities payable out of the rentals provided for in the lease and all premiums and accrued and unpaid interest payable on that redemption.

(B) Pay all other indebtedness and obligations of the authority attributable to the acquisition, construction, renovation, and leasing of the buildings, including any cost of liquidation of the authority.

(b) The lease does not create an obligation for the county to purchase a leased building or an obligation to a creditor or bondholder of the authority.

(c) A county exercising an option to purchase may issue general obligation bonds to procure funds to purchase the building. The bonds shall be authorized, issued, and sold in accordance with the laws authorizing the issuance and sale of bonds for other county purposes, **including IC 6-1.1-17.5.**

SECTION 112. IC 16-22-6-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 27. (a) As used in this section, "contributing county" means a county without a county hospital that is contiguous to a county with a county hospital.

(b) As used in this section, "lessee county" means a county with a county hospital.

(c) A contributing county may enter into an agreement with a lessee county to reimburse the lessee county for a part of the lease rental each year that is payable by the lessee county upon compliance with this section. **The agreement is considered a lease for purposes of IC 6-1.1-17.5.**

(d) If the county executive of the contributing county finds that the hospital of the lessee county serves the residents of the contributing county and provides needed hospital services to such residents, the county executive may prepare a contribution agreement. Before final execution of the agreement, the auditor of the contributing county shall publish notice of a public hearing to be held in the contributing county by the county executive not less than ten (10) days after publication of the notice. The notice shall be published one (1) time in a newspaper of general circulation and published in the contributing county. The notice must name the day, place, and hour of the hearing and must set forth a summary of the provisions of agreement as to the amount to be paid each year during the term of the lease by the contributing county and where a copy of the proposed agreement may be examined. All persons interested are entitled to be heard at the time fixed on the

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necessity for the execution of the agreement. The hearing may be adjourned to a later date at a place fixed before adjournment.

(e) Following the hearing, if a majority of the county fiscal body of the contributing county approve the execution of the agreement, the county executive may authorize the execution of the original agreement or may make the modifications agreed upon with the county fiscal body. The authorization shall be by an order entered in the official records of the county executive. The agreement shall be executed:

(1) on behalf of the contributing county by at least a majority of the members of the county executive; and

(2) on behalf of the lessee county by at least a majority of the members of the county executive.

(f) If the execution of the original or modified contribution agreement is authorized, notice of the signing shall be published on behalf of the contributing county by publication one (1) time in a newspaper of general circulation and published in the contributing county. At least ten (10) taxpayers in the contributing county whose tax rate will be affected by the proposed agreement may file a petition with the county auditor of the contributing county not more than thirty (30) days after publication of notice of the execution of the agreement. The petition must set forth the objections to the contribution agreement and facts showing that the execution of the contribution agreement is unnecessary and unwise or that the amount of contribution is excessive. On the filing of the petition, the county auditor shall immediately certify a copy together with other data necessary to present the questions involved to the department of local government finance. The department of local government finance shall fix a time and place in the county for the hearing not less than five (5) or not more than fifteen (15) days after receipt of the certified petition and information. Notice of the hearing shall be given by the department of local government finance to the county executive and to the first ten (10) taxpayer petitioners by certified mail sent to the addresses listed on the petition, at least five (5) days before the date of the hearing.

(g) (f) An action to contest the validity of the contribution agreement or to enjoin the performance of the agreement may not be instituted later than thirty (30) days after publication of notice of the execution of the agreement or, if an appeal has been taken to the department of local government finance, a remonstrance petition is filed under IC 6-1.1-17.5-16, not more than thirty (30) days after the decision of the board. **deadline for filing a counterpetition under IC 6-1.1-17.5-17.**

(h) (g) A contribution agreement may extend for the full term of the

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1 lease or for any part and may provide for reimbursement by the  
 2 contributing county to the lessee county of a part of the lease rental  
 3 each year in an amount and upon terms and conditions agreed on  
 4 between the contributing county and the lessee county. The  
 5 contributing county shall annually levy a tax sufficient to produce each  
 6 year the necessary funds sufficient to reimburse the lessee county as  
 7 provided in the contribution agreement. The tax levies provided for in  
 8 this section shall be reviewable by other bodies vested by law with the  
 9 authority to ascertain that the levies are sufficient to raise the required  
 10 payments under the contribution agreement. The annual contribution  
 11 shall be paid semiannually to the lessee county before the date lease  
 12 rental payments are due from the lessee county.

13 SECTION 113. IC 16-22-7-27 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 27. The county  
 15 fiscal body may issue general obligation bonds to procure funds to  
 16 purchase the building. The bonds shall be authorized, issued, and sold  
 17 in accordance with the laws authorizing the issuance and sale of bonds  
 18 for other county purposes, **including IC 6-1.1-17.5.**

19 SECTION 114. IC 16-22-8-41 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 41. (a) The board  
 21 may provide a cumulative building fund ~~under IC 6-1.1-41~~ to erect  
 22 hospital buildings, additions, or other buildings, remodel buildings, or  
 23 acquire equipment needed to carry out this chapter. The cumulative  
 24 building fund may be funded by a property tax levy under subsection  
 25 (b), a transfer into the fund of other revenues of the hospital, or a  
 26 combination of these two (2) methods.

27 (b) The board may levy a tax ~~in compliance with IC 6-1.1-41~~ on all  
 28 taxable property within the county where the corporation is established.  
 29 However, the levy may not exceed six and sixty-seven hundredths cents  
 30 (\$0.0667) on each one hundred dollars (\$100) of taxable property. **For**  
 31 **property taxes first due and payable after 2009, the levy under this**  
 32 **subsection is subject to the county's maximum permissible social**  
 33 **service property tax rate under IC 6-1.1-18.5.**

34 (c) All money in the cumulative building fund may be invested or  
 35 reinvested in the following:

36 (1) Securities backed by the full faith and credit of the United  
 37 States Treasury, including direct obligations of the United States  
 38 government and obligations of a federal agency or a federal  
 39 instrumentality that are fully guaranteed by the United States  
 40 government.

41 (2) Participation in loans under the conditions and in the manner  
 42 set forth in IC 5-13-10.5-12.

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(d) The treasurer of the corporation may lend any securities in the cumulative building fund under the conditions and in the manner set forth in IC 5-13-10.5-12. Money collected and not invested in government obligations shall be deposited and withdrawn in the manner authorized by law for the deposit, withdrawal, and safekeeping of the general funds of municipalities.

SECTION 115. IC 16-22-8-43, AS AMENDED BY P.L.194-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 43. (a) The corporation may issue general obligation bonds to procure funds to pay the cost of acquiring real property or constructing, enlarging, improving, remodeling, repairing, or equipping buildings for use as a hospital, a health care facility, or an administrative facility. The issuance of the bonds shall be authorized by a board resolution providing for the amount, terms, and tenor of the bonds, for the time and character of notice, and the mode of making the sale. The bonds shall be payable not more than forty (40) years after the date of issuance. The bonds shall be executed in the name of the corporation by the executive director.

(b) The executive director shall manage and supervise the preparation, advertisement, and sale of bonds, subject to the provisions of the authorizing resolution. Before the sale of the bonds, the executive director shall publish notice of the sale in accordance with IC 5-3-1, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest and best bidder. After the bonds have been sold and executed, the executive director shall deliver the bonds to the treasurer of the corporation and take the treasurer's receipt, and shall certify to the treasurer the amount that the purchaser is to pay, together with the name and address of the purchaser. On payment of the purchase price, the treasurer shall deliver the bonds to the purchaser, and the treasurer and executive director shall report the actions to the board.

(c) IC 5-1, **IC 6-1.1-17.5**, and ~~IC 6-1.1-20~~ **IC 6-1.1-18-5** apply to the following proceedings:

- ~~(1) Notice and filing of the petition requesting the issuance of the bonds.~~
- ~~(2) (1) Notice of determination to issue bonds.~~
- ~~(3) (2) Notice of hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appeal and be heard.~~
- ~~(4) Approval by the department of local government finance.~~
- ~~(5) The right to remonstrate.~~

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~~(6)~~ (3) Sale of bonds at public sale for not less than the par value.

**(4) The right of voters to file petitions regarding a decision of a county board of tax and capital projects review.**

(d) The bonds are the direct general obligations of the corporation and are payable out of unlimited ad valorem taxes levied and collected on all the taxable property within the county of the corporation. All officials and bodies having to do with the levying of taxes for the corporation shall see that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for payment.

(e) The bonds are exempt from taxation for all purposes but the interest is subject to the adjusted gross income tax.

SECTION 116. IC 16-22-8-55 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 55. (a) The corporation may borrow money on promissory notes issued in the corporation's name, as a municipal corporation, from recognized lending institutions, and pledge as security unlimited ad valorem taxes levied by the corporation and collected on all taxable property within the jurisdiction of the corporation. It is the duty of all officials and bodies with control or discretion over the levying of taxes for the corporation to see that sufficient levies are made to meet the principal and interest on promissory notes. The promissory notes issued under this section shall be treated for taxation purposes the same as bonds issued by a municipal corporation in accordance with IC 6-8-5-1.

(b) Funds obtained by the method provided in this section shall be limited in use to the payment of lease rental for medical, surgical, and related equipment used by the corporation when the board determines that leasing the equipment is more practical and economical than purchasing. The decision to lease rather than purchase is within the sole discretion of the board.

(c) The length, terms, and conditions of promissory notes issued under this section are subject to negotiation between the board or the board's representative and the lending institutions bidding. Before entering into negotiations for the loan, the board of trustees shall publish a notice one (1) time in a newspaper of general circulation in the health and hospital corporation naming a date not less than seven (7) days after the publication of notice on which the board will receive and consider proposals from lending institutions for the making of the loan.

~~(d) After determination of the board to borrow and to issue promissory notes; and after a determination of the best proposal submitted by lending institutions; the board shall give notice of the board's determination to borrow and to issue promissory notes in the~~

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1 manner provided by IC 6-1.1-20. The taxpayers have the right to appeal  
 2 the determination to the department of local government finance in the  
 3 manner and within the time provided in IC 6-1.1-20.

4 SECTION 117. IC 16-23-1-39 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 39. (a) This  
 6 section applies to the county fiscal body of a county in which a city  
 7 hospital is located and maintained.

8 (b) The county fiscal body may issue and sell bonds and appropriate  
 9 money, if the fiscal body finds the following:

10 (1) An emergency exists.

11 (2) To meet the medical needs of the county residents living  
 12 inside and outside the corporate limits of the city it is necessary  
 13 to aid in the following:

14 (A) The construction, improvement, repair, or remodeling of  
 15 hospital buildings and grounds.

16 (B) The construction of an extension or addition to the  
 17 hospital.

18 (C) The acquisition of real property for the hospital.

19 (3) An appropriation of county funds, borrowing of money, and  
 20 issuance and sale of bonds by the county are in the best interests  
 21 of all the citizens of the county.

22 (c) The county fiscal body may issue and sell bonds and appropriate  
 23 the proceeds to meet the emergency:

24 (1) without regard to whether the city in which the hospital is  
 25 located has issued and sold bonds for these purposes or  
 26 contemplates the issuance and sale of bonds; **and**

27 (2) as other county bonds are issued and sold under statute. **and**  
 28 ~~(3) subject to approval of the department of local government~~  
 29 ~~finance.~~

30 (d) The principal derived from the sale of the bonds, upon due  
 31 appropriation by the county according to statute, shall be paid to the  
 32 clerk-treasurer of the city to assist in paying the cost of the  
 33 improvement, repair, remodeling, or construction project of the hospital  
 34 or for the acquisition of real property, without reappropriation by the  
 35 fiscal body of the city.

36 SECTION 118. IC 16-23-1-40 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 40. (a) The  
 38 governing board may request a cumulative hospital building fund and  
 39 a tax rate upon all taxable property in the county in which the hospital  
 40 is located to finance the fund. If a resolution is approved by majority  
 41 vote of all members at a regular or special board meeting, the  
 42 resolution shall be certified to the county auditor, who shall submit the

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1 resolution to the county executive for preliminary approval and  
 2 recommendation. Upon the approval of the county executive, the  
 3 county auditor shall publish notice of a public hearing before the  
 4 county council on the establishment of a cumulative hospital building  
 5 fund and tax rate in each year.

6 (b) The cumulative building tax rate begins in any calendar year  
 7 when all proceedings to establish the tax rate have been completed  
 8 before August 2 in that year. The rate is levied on each one hundred  
 9 dollars (\$100) of taxable property for that year, payable in the next  
 10 year, and continues each year for a term not exceeding twelve (12)  
 11 years. The resolution of the board must specify the following:

12 (1) The number of years.

13 (2) The effective date when the tax levy begins.

14 (3) The amount of rate on each one hundred dollars (\$100) of  
 15 taxable property.

16 (4) Any other pertinent facts considered advisable by the board.

17 **For property taxes first due and payable after 2009, the levy under**  
 18 **this subsection is subject to the county's maximum permissible**  
 19 **social service property tax rate under IC 6-1.1-18.5.**

20 (c) Except as provided in subsections (f) through (h), the rate on  
 21 each one hundred dollars (\$100) may be reduced but not increased by  
 22 the department of local government finance in approving a cumulative  
 23 building tax rate. The rate as finally fixed by the department of local  
 24 government finance is final. However, the county fiscal body, by  
 25 three-fourths (3/4) affirmative vote of the county fiscal body's  
 26 members, may reduce the rate in any given year or years to meet an  
 27 emergency existing in the county, but the temporary reduction affects  
 28 the rate only in the year when the action is taken. The rate is  
 29 automatically restored to the rate's original amount in each succeeding  
 30 year of the established period except in any other year when another  
 31 emergency reduction is made. The rate is subject to review each year  
 32 by the county fiscal body, but the county tax adjustment board and  
 33 department of local government finance may not reduce the rate below  
 34 the original rate established and approved by vote of the county fiscal  
 35 body unless the county fiscal body reduces the rate.

36 (d) The county fiscal body, city fiscal body, county tax adjustment  
 37 board, or department of local government finance does not have power  
 38 or jurisdiction over the annual budget and appropriations, additional  
 39 appropriations, or transfer of money unless the action involves the  
 40 expenditure or raising of money derived from property taxes. If the  
 41 cumulative building fund is the only hospital fund raised by taxation,  
 42 section 31 of this chapter controls.

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(e) The cumulative building fund raised may be properly and safely invested or reinvested by the board to produce an income until there is an immediate need for the fund's use. The fund and any income derived from investment or reinvestment of the fund may be used as follows:

- (1) To purchase real property and grounds for hospital purposes.
- (2) To remodel or make major repairs on any hospital building.
- (3) To erect and construct hospital buildings or additions or extensions to the buildings.
- (4) For any other major capital improvements, but not for current operating expenses or to meet a deficiency in operating funds.

(f) Not later than August 1 of any year, ten (10) or more taxpayers in the county may file with the county auditor of the county in which the hospital is located a petition for reduction or rescission of the cumulative building tax rate. The petition must set forth the taxpayers' objections to the tax rate. The petition shall be certified to the department of local government finance.

(g) Upon receipt of a petition under subsection (f), the department of local government finance shall, within a reasonable time, fix a date for a hearing on the petition. The hearing must be held in the county in which the hospital is located. Notice of the hearing shall be given to the county fiscal body and to the first ten (10) taxpayers whose names appear on the petition. The notice must be in the form of a letter signed by the secretary or any member of the department of local government finance, sent by mail with full prepaid postage to the county fiscal body and to the taxpayers at their usual places of residence at least five (5) days before the date fixed for the hearing.

(h) After the hearing under subsection (g), the department of local government finance shall approve, disapprove, or modify the request for reduction or rescission of the tax rate and shall certify that decision to the county auditor of the county in which the hospital is located.

SECTION 119. IC 16-23-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) This section applies if the township trustee and the township board of the township determine the following:

- (1) That the hospital is indebted in an amount not exceeding five thousand dollars (\$5,000), the payment of which is secured by a mortgage encumbering the buildings and grounds of the hospital.
- (2) That an addition to the hospital structure or additional building or buildings, or equipment is required to enable the hospital to efficiently carry on the hospital's activities under the hospital's articles of incorporation.

(b) The township board may authorize the trustee, by special order

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entered and signed upon the township board's records, to borrow an amount on behalf of the township sufficient to pay the mortgage indebtedness, or to construct and equip an addition to a building or for an additional building. **Subject to IC 6-1.1-17.5**, the township board may authorize the trustee of the township to issue bonds of the township to pay the debt created. The bonds:

- (1) may run for a period not exceeding ten (10) years;
- (2) may bear interest at any rate; and
- (3) shall be sold by one (1) of the trustees, with the consent of the township board, for not less than par value.

(c) The township board shall annually levy sufficient taxes to pay at least one-tenth (1/10) of the township bonds, including interest, and the township trustee shall apply the tax levy collected each year to the retirement of the bonds and the payment of the interest on the bonds. The bonds issued under this section may not exceed an amount equal to one percent (1%) of the adjusted value of all the taxable property in the township, including that in a town, as determined under IC 36-1-15.

(d) This debt may not be created except by the township board in the manner specified in this section. A payment of an unauthorized debt by a trustee from public funds is recoverable upon the bond of the trustee.

(e) The township trustee shall pay the proceeds from the borrowing and the sale of bonds into the treasury of the hospital. The hospital may use the money only to pay the mortgage indebtedness for which bonds had been sold or for construction and equipment of buildings or additions to buildings.

SECTION 120. IC 16-35-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) The tax shall be imposed annually by the county fiscal body on all of the taxable property of the county.

(b) The total tax levy that a county may impose under this section **for taxes first due and payable after 2009** equals the amount determined under section 3 of this chapter.

(c) The tax must be collected as other state and county ad valorem property taxes are collected.

SECTION 121. IC 16-35-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) For taxes first due and payable in each year after 2003 **and before 2010**, each county shall impose a children with special health care needs property tax levy equal to the product of:

- (1) the children with special health care needs property tax levy imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government

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1 finance in fixing the civil taxing unit's budget, levy, and rate for  
 2 that preceding calendar year under IC 6-1.1-17 and after  
 3 eliminating the effects of temporary excessive levy appeals and  
 4 any other temporary adjustments made to the levy for the calendar  
 5 year; multiplied by

6 (2) the greater of:

7 (A) the county's assessed value growth quotient for the ensuing  
 8 calendar year, as determined under IC 6-1.1-18.5-2; or

9 (B) one (1).

10 When a year in which a statewide general reassessment of real property  
 11 first becomes effective is the year preceding the year that the property  
 12 tax levy under this subsection will be first due and payable, the amount  
 13 to be used in subdivision (2) equals the average of the amounts used in  
 14 determining the two (2) most recent adjustments in the county's levy  
 15 under this section. If the amount levied in a particular year exceeds the  
 16 amount necessary to cover the costs payable from the fund, the levy in  
 17 the following year shall be reduced by the amount of surplus money.

18 ~~(b) The department of local government finance shall review each~~  
 19 ~~county's property tax levy under this section and shall enforce the~~  
 20 ~~requirements of this section with respect to that levy.~~

21 **(b) For property taxes first due and payable after 2009, the levy**  
 22 **under subsection (a) is subject to the county's maximum**  
 23 **permissible social service property tax rate under IC 6-1.1-18.5.**

24 SECTION 122. IC 20-18-2-1.5, AS ADDED BY P.L.2-2006,  
 25 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JANUARY 1, 2009]: Sec. 1.5. (a) "ADA", for purposes of this title  
 27 (except IC 20-23-4-19), ~~and IC 20-45-7~~; means the average number of  
 28 pupils in daily attendance in the school corporation, determined in  
 29 accordance with the rules established by the state board.

30 (b) "ADA", for purposes of IC 20-23-4-19, has the meaning set forth  
 31 in IC 20-23-4-19.

32 ~~(c) "ADA", for purposes of IC 20-45-7, has the meaning set forth in~~  
 33 ~~IC 20-45-7-3.~~

34 SECTION 123. IC 20-26-11-13, AS AMENDED BY P.L.234-2007,  
 35 SECTION 105, IS AMENDED TO READ AS FOLLOWS  
 36 [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) As used in this section,  
 37 the following terms have the following meanings:

38 (1) "Class of school" refers to a classification of each school or  
 39 program in the transferee corporation by the grades or special  
 40 programs taught at the school. Generally, these classifications are  
 41 denominated as kindergarten, elementary school, middle school  
 42 or junior high school, high school, and special schools or classes,

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such as schools or classes for special education, career and technical education, or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) State tuition support distributions.

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(B) Property tax levies.

(C) Excise tax revenue (as defined in IC 20-43-1-12) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure that is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

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(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

- (1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by
- (2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

- (1) the total amount of revenues received; by
- (2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

- (1) be entered into for a period of not more than five (5) years with an option to renew;
- (2) specify a maximum number of students to be transferred; and
- (3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

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(i) A school corporation may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

- (1) be for one (1) year or longer; and
- (2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

~~(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 20-45-6-8, the school corporation may appeal for an excessive levy as provided under IC 20-45-6-8.~~

SECTION 124. IC 20-26-11-23, AS AMENDED BY P.L.2-2006, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the calendar year in which the school year begins, and where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

- (1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.
- (2) An advance in the calendar year of state funds, which would otherwise become payable to the transferee corporation after such calendar year under law.
- (3) A grant or grants in the calendar year from any funds of the state made available for the net additional costs.

(b) The net additional costs must be certified by the department of local government finance, and any grant shall be made solely after affirmative recommendation of the school property tax control board. ~~Repayment of any advance or loan from the state shall be made in accordance with IC 20-45-6-3. The use of any of the methods in this section does not subject the transferor corporation to IC 20-45-6-5 or IC 20-45-6-6.~~

SECTION 125. IC 20-44-2-2, AS ADDED BY P.L.2-2006, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. **Subject to IC 6-1.1-17.5,**

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each governing body may annually levy the amount of taxes that:

(1) in the judgment of the governing body; and

(2) after being made a matter of record in the minutes;

should be levied to produce income sufficient to conduct and carry on the public schools committed to the governing body.

SECTION 126. IC 20-44-2-3, AS ADDED BY P.L.2-2006, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. **Subject to IC 6-1.1-17.5**, the governing body shall annually levy a rate that will produce a sum sufficient to meet all payments of principal and interest as they mature in the year for which the levy is made on the:

(1) bonds;

(2) notes; or

(3) other obligations;

of the school corporation.

SECTION 127. IC 20-45-3-7, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. **(a) For property taxes first due and payable before 2010**, a school corporation's adjusted target property tax rate for a calendar year is equal to:

(1) the school corporation's target property tax rate; multiplied by

(2) the school corporation's adjustment factor.

**(b) For property taxes first due and payable after 2009**, a school corporation may not impose a property tax rate for the following funds of the school corporation that exceeds the aggregate tax rate used by the school corporation for property taxes first due and payable in 2009 for those funds:

(1) General fund.

(2) Transportation fund.

(3) School bus replacement fund.

(4) Special education preschool fund.

(5) Racial balance fund.

**(c) The maximum permissible property tax rate is adjusted for taxes first due and payable in each ensuing calendar year to equal the quotient of:**

(1) the maximum permissible rate for property taxes first due and payable in the year immediately preceding the ensuing calendar year; divided by

(2) the tax rate adjustment used under IC 6-1.1-18.5-3.

The tax rate is further adjusted by applying the same formula that applies to the capital projects fund rate under subsection (h). The tax rate after this further adjustment becomes the school

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corporation's maximum permissible tax rate.

(d) A property tax rate for property taxes first due and payable after 2009 attributable to the part of a school corporation's levy that is used to pay lease rentals, debt service on bonds, and school bus purchase loans may not exceed the rate necessary to pay the lease rentals, debt service, and payments on leases, bonds, and school bus purchase loans that existed on April 1, 2009, and that are not paid when the rate is determined, plus any lease rentals, debt service, and payments on leases, bonds, and school bus purchase loans approved by the county board of tax and capital projects review under IC 6-1.1-17.5 after April 1, 2009. A school corporation must obtain approval from the appropriate county board of tax and capital projects review under IC 6-1.1-17.5 before the school corporation may:

- (1) incur indebtedness;
- (2) enter into a lease agreement; or
- (3) repay a school bus purchase loan.

This restriction does not apply to property taxes that a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974.

(e) Subsection (d) does not apply to school bus purchase loans made by a school corporation that will be repaid solely from the general fund of the school corporation.

(f) Except as provided in subsection (g), to provide for the capital projects fund, a school corporation may, for each year after 2009 in which a plan adopted under IC 20-46-6-5 is in effect, impose a property tax rate that does not exceed the lesser of:

- (1) forty-one and sixty-seven hundredths cents (\$0.4167); or
- (2) the property tax rate used by the unit for property taxes first due and payable in 2009 for the fund, as adjusted under subsection (g);

on each one hundred dollars (\$100) of assessed valuation of the school corporation. This actual rate must be advertised in the same manner as other property tax rates.

(g) The maximum property tax rate levied by each school corporation under subsection (f) must be adjusted each year. The adjusted property tax rate becomes the new maximum property tax rate for the levy for property taxes first due and payable in each year.

(h) Subject to subsection (j), the new maximum rate under subsection (g) is the tax rate determined under STEP SEVEN of the following formula:

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**STEP ONE: Determine the maximum rate under subsection (f) for the school corporation for the immediately preceding year.**

**STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the immediately preceding year to the ensuing year.**

**STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.**

**STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.**

**STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).**

**STEP SIX: Determine the greater of the following:**

**(A) Zero (0).**

**(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.**

**STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.**

**(i) The department of local government finance shall compute the maximum rate allowed under subsection (h) and provide the rate to each school corporation.**

**(j) For a year in which a school corporation uses money from the school corporation's fund to pay for qualified utility and insurance costs, the school corporation may impose a property tax rate that exceeds the rate determined in subsection (h). The amount by which the property tax rate may exceed the rate determined in subsection (h) equals the amount determined under STEP THREE of the following formula:**

**STEP ONE: Determine the school corporation's qualified utility and insurance costs for the calendar year.**

**STEP TWO: Determine the quotient of:**

**(A) the STEP ONE amount; divided by**

**(B) the school corporation's assessed valuation for the year.**

**STEP THREE: Determine the product of:**

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1 (A) the STEP TWO amount; multiplied by

2 (B) one hundred (100).

3 SECTION 128. IC 20-45-6-5, AS ADDED BY P.L.2-2006,  
4 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
5 [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) This section applies  
6 with respect to each appeal petition that:

7 (1) is delivered to the tax control board by the department of local  
8 government finance under IC 6-1.1-19-4.1; and

9 (2) includes a request for emergency relief to make up a shortfall  
10 that has resulted

11 (A) whenever:

12 (i) erroneous assessed valuation figures were provided to the  
13 school corporation;

14 (ii) erroneous figures were used to determine the school  
15 corporation's total property tax rate; and

16 (iii) the school corporation's general fund tax levy was  
17 reduced under IC 6-1.1-17-16(d); or

18 (B) because of the payment of refunds that resulted from  
19 appeals under this article and IC 6-1.5.

20 (b) The tax control board shall recommend to the department of  
21 local government finance that the school corporation receive  
22 emergency financial relief. The relief must be in any combination of  
23 the forms of relief specified in section 2(g) of this chapter.

24 (c) The tax control board shall, if the tax control board determines  
25 that a shortfall exists as described in subsection (a), recommend that a  
26 school corporation that appeals for the purpose stated in subsection (a)  
27 be permitted to collect an excessive tax levy for a specified calendar  
28 year in the amount of the difference between:

29 (1) the school corporation's property tax levy for a particular year  
30 as finally approved by the department of local government  
31 finance; and

32 (2) the school corporation's actual property tax levy for the  
33 particular year.

34 SECTION 129. IC 20-46-2-3, AS ADDED BY P.L.2-2006,  
35 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
36 [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Subject to  
37 IC 6-1.1-18-12, for property taxes first due and payable before  
38 2010, each year each school corporation shall impose a property tax of  
39 thirty-three hundredths of one cent (\$0.0033) for each one hundred  
40 dollars (\$100) of assessed valuation.

41 (b) For property taxes first due and payable after 2009, the levy  
42 under subsection (a) is subject to the school corporation's rate for

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1 **the levy under IC 20-45-3-7.**

2 SECTION 130. IC 20-46-3-5, AS ADDED BY P.L.2-2006,  
3 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JANUARY 1, 2009]: Sec. 5. A school corporation may  
5 petition the tax control board to impose a property tax to raise revenue  
6 for the purposes of the fund. However, before a school corporation may  
7 **department of local government finance for permission to** impose  
8 a property tax under this chapter ~~the school corporation must file by~~  
9 **filing** a petition with the tax control board under IC 6-1.1-19. The  
10 ~~petition must be filed~~ **department** before June 1 of the year preceding  
11 the first year the school corporation desires to impose the property tax.  
12 **and The petition** must include the following:

- 13 (1) The name of the school corporation.  
14 (2) A settlement agreement among the parties to a desegregation  
15 lawsuit that includes the program that will improve or maintain  
16 racial balance in the school corporation.  
17 (3) The proposed levy.  
18 (4) Any other item required by the ~~school property tax control~~  
19 ~~board.~~ **department.**

20 SECTION 131. IC 20-46-3-6, AS ADDED BY P.L.2-2006,  
21 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
22 [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) Subject to  
23 IC 6-1.1-18.5-9.9, **for property taxes first due and payable before**  
24 **2010**, the tax control board may recommend to the department of local  
25 government finance that a school corporation be allowed to establish  
26 a levy. The amount of the levy shall be determined each year and the  
27 levy may not exceed the lesser of the following:

- 28 (1) The revenue derived from a tax rate of eight and thirty-three  
29 hundredths cents (\$0.0833) for each one hundred dollars (\$100)  
30 of assessed valuation within the school corporation.  
31 (2) The revenue derived from a tax rate equal to the difference  
32 between the maximum rate allowed for the school corporation's  
33 capital projects fund under IC 20-46-6 minus the actual capital  
34 projects fund rate that will be in effect for the school corporation  
35 for a particular year.

36 **(b) For property taxes first due and payable after 2009, the levy**  
37 **under subsection (a) is subject to the school corporation's rate for**  
38 **the levy under IC 20-45-3-7.**

39 SECTION 132. IC 20-46-4-5, AS ADDED BY P.L.2-2006,  
40 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
41 [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) Each school corporation  
42 may levy for the calendar year a property tax for the fund sufficient to

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pay all operating costs attributable to transportation.

**(b) For property taxes first due and payable after 2009, the levy under subsection (a) is subject to the school corporation's rate for the levy under IC 20-45-3-7.**

SECTION 133. IC 20-46-4-6, AS AMENDED BY P.L.234-2007, SECTION 263, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. **(a) For property taxes first due and payable before 2010**, the levy may not exceed the amount determined by multiplying:

- (1) the school corporation's levy for the fund for the previous year under IC 21-2-11.5 (before its repeal) or this chapter, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

**(b) Beginning in 2010, each school corporation shall establish a separate account in its general fund for transportation expenditures. The balances remaining in each school corporation's:**

- (1) transportation fund; and**
- (2) school bus replacement fund;**

**as of January 1, 2010, shall be transferred to the transportation account of the school corporation's general fund.**

SECTION 134. IC 20-46-4-7, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. The tax rate and levy for the fund shall be established as a part of the annual budget for the calendar year in accordance with ~~IC 6-1.1-17~~: **IC 6-1.1-17.5.**

SECTION 135. IC 20-46-5-4, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. **(a) Subject to IC 6-1.1-17.5**, each school corporation may levy for a calendar year a property tax for the fund in accordance with the school bus acquisition plan adopted under this chapter.

**(b) For property taxes first due and payable after 2009, the levy under subsection (a) is subject to the school corporation's rate for the levy under IC 20-45-3-7.**

SECTION 136. IC 20-46-5-5, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. The levy tax rate and the

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levy shall be established as a part of the annual budget for the calendar year in accordance with ~~IC 6-1.1-17~~. **IC 6-1.1-17.5.**

SECTION 137. IC 20-46-6-5, AS ADDED BY P.L.154-2006, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. Subject to ~~IC 6-1.1-18-12~~ and ~~IC 6-1.1-18.5-9.9~~; **IC 6-1.1-17.5**, to provide for the fund, the governing body may, for each year in which a plan is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of the school corporation. The actual rate imposed by the governing body must be advertised in the same manner as other property tax rates.

SECTION 138. IC 20-46-6-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) This section applies only for a calendar year for which IC 20-40-8-19 permits a school corporation to pay qualified utility and insurance costs from the fund.

(b) For a year in which a school corporation uses money from the school corporation's fund to pay for qualified utility and insurance costs, **subject to IC 6-1.1-17.5**, the school corporation may impose a property tax rate that exceeds the rate described in section 5 of this chapter. The amount by which the property tax rate may exceed the rate described in section 5 of this chapter equals the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the school corporation's qualified utility and insurance costs for the calendar year.

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) the school corporation's assessed valuation for the year.

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one hundred (100).

SECTION 139. IC 20-46-6-18, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) This section applies to an amendment to a plan that is required by a reason other than an emergency.

(b) The governing body must hold a public hearing on the proposed amendment. At the hearing, the governing body must declare the nature of and the need for the amendment and pass a resolution to adopt the amendment to the plan.

(c) The plan, as proposed to be amended, must comply with the

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requirements for a plan under section 10 of this chapter. The governing body must publish the proposed amendment to the plan and notice of the hearing in accordance with IC 5-3-1-2(b).

(d) An amendment to the plan:

(1) is not subject to the deadline for adoption described in section 8 or 9 of this chapter;

~~(2) must be submitted to the department of local government finance for its consideration; and~~

~~(3) (2) is subject to approval, disapproval, or modification in accordance with the procedures for adopting a plan, except that the amendment is not subject to approval by the department of local government finance.~~

SECTION 140. IC 20-46-7-4, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. **(a) Subject to IC 6-1.1-17.5**, the governing body of each school corporation shall establish a levy in every calendar year sufficient to pay all obligations.

**(b) For property taxes first due and payable after 2009, the levy under subsection (a) is subject to the school corporation's rate for the levy under IC 20-45-3-7.**

SECTION 141. IC 20-47-2-5, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) Subject to **IC 6-1.1-17.5** and subsection (b), a school corporation may lease a school building or buildings for the use of:

(1) the school corporation; or

(2) a joint or consolidated school district of which the school corporation is a part or to which it contributes;

for a term not to exceed thirty (30) years.

(b) A school corporation may not enter into a lease under this section unless:

(1) a petition for the lease signed by at least fifty (50) patrons of the school corporation has been filed with the governing body of the school corporation; and

(2) the governing body, after investigation, determines that a need exists for the school building and that the school corporation cannot provide the necessary funds to pay the cost or its proportionate share of the cost of the school building or buildings required to meet the present needs.

(c) If two (2) or more school corporations propose to jointly enter into a lease under this section, joint meetings of the governing bodies of the school corporations may be held, but action taken at a joint

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meeting is not binding on any of those school corporations unless approved by a majority of the governing body of those school corporations. A lease executed by two (2) or more school corporations as joint lessees must:

(1) set out the amount of the total lease rental to be paid by each lessee, which may be as agreed upon; and

(2) provide that:

(A) there is no right of occupancy by any lessee unless the total rental is paid as stipulated in the lease; and

(B) all rights of joint lessees under the lease are in proportion to the amount of lease rental paid by each lessee.

SECTION 142. IC 20-47-3-3, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Subject to **IC 6-1.1-17.5** and subsection (b), a school corporation may lease a school building or buildings for the use of:

(1) the school corporation; or

(2) a joint or consolidated school district of which the school corporation is a part or to which it contributes;

for a term not to exceed fifty (50) years.

(b) A school corporation may not enter into a lease under this section unless:

(1) a petition for the lease signed by at least fifty (50) patrons of the school corporation has been filed with the governing body of the school corporation; and

(2) the governing body, after investigation, determines that a need exists for the school building.

(c) If two (2) or more school corporations propose to jointly enter into a lease under this section, joint meetings of the governing bodies of the school corporations may be held, but action taken at a joint meeting is not binding on any of those school corporations unless approved by a majority of the governing body of each of those school corporations. A lease executed by two (2) or more school corporations as joint lessees must:

(1) set out the amount of the total lease rental to be paid by each lessee, which may be as agreed upon; and

(2) provide that:

(A) there is no right of occupancy by any lessee unless the total rental is paid as stipulated in the lease; and

(B) all rights of joint lessees under the lease are in proportion to the amount of lease rental paid by each lessee.

SECTION 143. IC 20-48-1-1, AS ADDED BY P.L.2-2006,

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SECTION 171, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) As used in this section,  
"improvement of real estate" includes:

- (1) construction, reconstruction, remodeling, alteration, or repair of buildings or additions to buildings;
- (2) equipment related to activities specified in subdivision (1); and
- (3) auxiliary facilities related to activities specified in subdivision (1), including facilities for:
  - (A) furnishing water, gas, and electricity;
  - (B) carrying and disposing of sewage and storm and surface water drainage;
  - (C) housing of school owned buses;
  - (D) landscaping of grounds; and
  - (E) construction of walks, drives, parking areas, playgrounds, or facilities for physical training.

(b) **Subject to IC 6-1.1-17.5**, a school corporation is authorized to issue bonds to pay the:

- (1) cost of acquisition and improvement of real estate for school purposes;
- (2) funding of judgments;
- (3) cost of the purchase of school buses; and
- (4) incidental expenses incurred in connection with and on account of the issuance of the bonds.

SECTION 144. IC 20-48-1-2, AS AMENDED BY P.L.1-2007, SECTION 155, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) As used in this section, "retirement or severance liability" means the payments anticipated to be required to be made to employees of a school corporation upon or after termination of the employment of the employees by the school corporation under an existing or previous employment agreement.

(b) This section applies to each school corporation that:

- (1) did not issue bonds under IC 20-5-4-1.7 before its repeal; or
- (2) issued bonds under IC 20-5-4-1.7:
  - (A) before April 14, 2003; or
  - (B) after April 13, 2003, if an order approving the issuance of the bonds was issued by the department of local government finance before April 14, 2003.

(c) In addition to the purposes set forth in section 1 of this chapter, **subject to IC 6-1.1-17.5**, a school corporation described in subsection (b) may issue bonds to implement solutions to contractual retirement or severance liability. The issuance of bonds for this purpose is subject

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to the following conditions:

(1) The school corporation may issue bonds under this section only one (1) time.

(2) A school corporation described in subsection (b)(1) or (b)(2)(A) must issue the bonds before July 1, 2006. A school corporation described in subsection (b)(2)(B) must file a petition with the department of local government finance under IC 6-1.1-19-8 (**repealed**) requesting approval to incur bond indebtedness under this section before July 1, 2006.

(3) The solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's unfunded contractual liability for retirement or severance payments as it existed on June 30, 2001.

(4) The amount of the bonds that may be issued for the purpose described in this section may not exceed:

(A) two percent (2%) of the true tax value of property in the school corporation, for a school corporation that did not issue bonds under IC 20-5-4-1.7 (before its repeal); or

(B) the remainder of:

(i) two percent (2%) of the true tax value of property in the school corporation as of the date that the school corporation issued bonds under IC 20-5-4-1.7 (before its repeal); minus

(ii) the amount of bonds that the school corporation issued under IC 20-5-4-1.7 (before its repeal);

for a school corporation that issued bonds under IC 20-5-4-1.7 as described in subsection (b)(2).

(5) Each year that a debt service levy is needed under this section, the school corporation shall reduce the total property tax levy for the school corporation's transportation, school bus replacement, capital projects, and art association and historical society funds, as appropriate, in an amount equal to the property tax levy needed for the debt service under this section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

(6) The school corporation shall establish a separate debt service fund for repayment of the bonds issued under this section.

(d) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(e) Bonds issued under this section are not subject to the ~~petition and remonstrance process under IC 6-1.1-20~~ or to the limitations contained in IC 36-1-15.

SECTION 145. IC 20-48-1-6, AS ADDED BY P.L.2-2006,

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SECTION 171, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) **Subject to IC 6-1.1-17.5**, the governing body shall provide for the payment of principal and interest on bonds executed under section 5 of this chapter by levying annually a tax that is sufficient to pay the principal and interest as the bonds become due.

~~(b) The bodies charged with the review of budgets and tax levies shall review a levy for principal and interest described in subsection (a) to determine whether the levy is sufficient.~~

**(b) For property taxes first due and payable after 2009, the levy under subsection (a) is subject to the school corporation's rate for the levy under IC 20-45-3-7.**

SECTION 146. IC 20-48-1-8, AS AMENDED BY P.L.219-2007, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. The provisions of all general statutes and rules relating to:

~~(1) filing petitions requesting the issuance of bonds and giving notice of the issuance of bonds;~~

~~(2) (1) giving notice of determination to issue bonds;~~

~~(3) (2) giving notice of a hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appear and be heard on the proposed appropriation;~~

~~(4) the approval of the appropriation by the department of local government finance; and~~

~~(5) (3) the right of taxpayers and voters to remonstrate against the issuance of bonds; file petitions regarding a decision of the county board of tax and capital projects review;~~

apply to proceedings for the issuance of bonds and the making of an emergency loan under this article and IC 20-26-1 through IC 20-26-5. An action to contest the validity of the bonds or emergency loans may not be brought later than five (5) days after the acceptance of a bid for the sale of the bonds.

SECTION 147. IC 20-48-3-4, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) **Subject to IC 6-1.1-17.5**, the board may periodically, as the need arises, borrow money and issue school building bonds to supply the school city with funds:

(1) to buy real estate;

(2) to erect buildings for school or administrative purposes;

(3) to enlarge, remodel, and repair school buildings; or

(4) for one (1) or more of the purposes described in subdivisions

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(1) through (3).

The proceeds of the sale of bonds under this subsection may not be used for a purpose other than a purpose described in subdivisions (1) through (4).

(b) **Subject to IC 6-1.1-17.5**, the board may periodically, as the need arises, issue school funding bonds to take up and retire the principal and accrued interest of any outstanding bonds of the school city. School funding bonds may be issued only if the board determines it is to the advantage of the school city to refund the outstanding bonds of the school city. A school funding bond may not be issued and the proceeds of a school funding bond may not be used for a purpose other than to refund or take up and discharge outstanding bonds of the school city. Any preexisting bonds for which the school city is liable under IC 20-25-4, this chapter, or a predecessor law are outstanding bonds of the school city under this subsection.

(c) Before school building bonds may be issued under subsection (a), the board shall, by a resolution entered into the record in the board's corporate minutes, demonstrate a particular need for the money and the inability of the school city to supply the money from any other applicable fund under the control of the board. Before school funding bonds may be issued under subsection (b), the board shall, by a resolution entered into the record of the board's corporate minutes, provide a description of the bonds to be taken up, including the kind, date, date of maturity, and amount of the bonds.

(d) Bonds issued under this section must:

- (1) be serial bonds;
- (2) bear interest at a rate payable semiannually; and
- (3) mature at a time or times fixed in the resolution of the board.

(e) A bond to be issued under this section may not be delivered until the price of the bond is paid to the treasurer of the school city in:

- (1) money for school building bonds; or
- (2) money or bonds to be refunded for school funding bonds.

A bond issued under this section may not accrue interest before its delivery.

(f) A bond issued under this section must be payable to bearer and be of the general form usual in municipal bonds.

(g) Before offering bonds authorized by this section for sale, the board must give three (3) weeks notice of the date fixed for the sale of the bonds. The notice must include a description of the bonds and invite bids for the bonds. The notice shall be given by three (3) advertisements, one (1) time each week for the three (3) consecutive weeks immediately preceding the day of sale in a newspaper published

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and with a general circulation in Indianapolis. Notice may also be required in other advertisements if ordered by the board.

(h) The board shall sell the bonds to the highest and best bidder and has the right to reject any bid. The proceeds arising from the sale shall be used only for the purpose declared in the resolution of the board.

SECTION 148. IC 20-48-4-2, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) **Subject to IC 6-1.1-17.5**, the board may authorize the trustee to issue township warrants or bonds to pay for the building or the proportional cost of it. The warrants or bonds:

(1) may run for a period not exceeding fifteen (15) years;

(2) may bear interest at any rate; and

(3) shall be sold for not less than par.

The township trustee, before issuing the warrants or bonds, shall place a notice in at least one (1) newspaper announcing the sale of the bonds in at least one (1) issue a week for three (3) weeks. The notice must comply with IC 5-3-1 and must set forth the amount of bonds offered, the denomination, the period to run, the rate of interest, and the date, place, and time of selling. The township board shall attend the bond sale and must concur in the sale before the bonds are sold.

(b) **Subject to IC 6-1.1-17.5**, the board shall annually levy sufficient taxes each year to pay at least one-fifteenth (1/15) of the warrants or bonds, including interest, and the trustee shall apply the annual tax to the payment of the warrants or bonds each year.

(c) A debt of the township may not be created except by the township board in the manner specified in this section. The board may bring an action in the name of the state against the bond of a trustee to recover for the use of the township funds expended in the unauthorized payment of a debt. The board may appropriate and the township trustee shall pay from township funds a reasonable sum for attorney's fees for this purpose.

(d) If a taxpayer serves the board with a written demand that the board bring an action as described in subsection (c), and after thirty (30) days the board has not brought an action, a taxpayer may bring an action to recover for the use of the township funds expended in the unauthorized payment of a debt. An action brought under this subsection shall be brought in the name of the state.

SECTION 149. IC 20-48-4-8, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) Upon approval by the department of local government finance, under **IC 6-1.1-17.5**, the

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township trustee may, with the consent of the township board, issue and sell the bonds of the civil township in an amount sufficient to pay for the alteration, construction, or addition described in section 6 of this chapter.

(b) **Subject to IC 6-1.1-17.5**, the trustee may levy a tax on the taxable property of the township in an amount sufficient to discharge the bonds issued and sold. The bonds may not bear a maturity date more than twenty (20) years from the date of issue.

SECTION 150. IC 36-2-6-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) The county fiscal body may, by ordinance:

(1) make loans for the purpose of procuring money to be used in the exercise of county powers and for the payment of county debts other than current running expenses, and issue bonds or other county obligations to refund those loans;

(2) make temporary loans to meet current running expenses, in anticipation of and not in excess of county revenues for the current fiscal year, which shall be evidenced by tax anticipation warrants of the county; and

(3) make loans and issue notes under subsection (d).

(b) An ordinance authorizing the issuance of bonds under this section must state the purpose for which the bonds are issued and may provide that the bonds:

(1) are or are not negotiable;

(2) bear interest at any rate;

(3) run not longer than twenty (20) years; and

(4) mature by installments payable annually or otherwise.

(c) An ordinance authorizing the issuance of tax anticipation warrants under this section must:

(1) state the total amount of the issue;

(2) state the denomination of the warrants;

(3) state the time and place payable;

(4) state the rate of interest;

(5) state the funds and revenues in anticipation of which the warrants are issued and out of which they are payable; and

(6) appropriate and pledge a sufficient amount of those revenues to the punctual payment of the warrants.

The warrants are exempt from taxation for all purposes.

(d) The county fiscal body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the county,

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and the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the county's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made in the same manner as loans made under subsection (a)(1), except that:

- (1) the ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans;
- (2) the loans must be evidenced by notes of the county in terms designating the nature of the consideration, the time and place payable, and the revenues out of which they will be payable; and
- (3) the interest accruing on the notes to the date of maturity may be added to and included in their face value or be made payable periodically, as provided in the ordinance.

Notes issued under this subsection are not ~~bonded indebtedness for purposes of IC 6-1.1-18.5~~ **subject to IC 6-1.1-17.5**.

(e) If a deficit is incurred for the current running expenses of the county because the total of county revenues for the fiscal year is less than the anticipated total, the county fiscal body shall provide for the deficit in the next county tax levy.

SECTION 151. IC 36-3-1-6.1, AS AMENDED BY P.L.1-2006, SECTION 560, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6.1. (a) This section applies only in a county containing a consolidated city. If the requirements of subsection (g) are satisfied, the fire departments of the following are consolidated into the fire department of a consolidated city (referred to as "the consolidated fire department"):

- (1) A township for which the consolidation is approved by the township legislative body and trustee and the legislative body and mayor of the consolidated city.
- (2) Any fire protection territory established under IC 36-8-19 that is located in a township described in subdivision (1).

(b) If the requirements of subsection (g) are satisfied, the consolidated fire department shall provide fire protection services within an entity described in subsection (a)(1) or (a)(2) in which the requirements of subsection (g) are satisfied on the date agreed to in the resolution of the township legislative body and the ordinance of the legislative body of the consolidated city.

(c) If the requirements of subsection (g) are satisfied and the fire department of an entity listed in subsection (a) is consolidated into the fire department of the consolidated city, all of the property, equipment, records, rights, and contracts of the department consolidated into the

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1 fire department of the consolidated city are:

2 (1) transferred to; or

3 (2) assumed by;

4 the consolidated city on the effective date of the consolidation.  
5 However, real property other than real property used as a fire station  
6 may be transferred only on terms mutually agreed to by the legislative  
7 body and mayor of the consolidated city and the trustee and legislative  
8 body of the township in which that real property is located.

9 (d) If the requirements of subsection (g) are satisfied and the fire  
10 department of an entity listed in subsection (a) is consolidated into the  
11 fire department of the consolidated city, the employees of the fire  
12 department consolidated into the fire department of the consolidated  
13 city cease employment with the department of the entity listed in  
14 subsection (a) and become employees of the consolidated fire  
15 department on the effective date of the consolidation. The consolidated  
16 city shall assume all agreements with labor organizations that:

17 (1) are in effect on the effective date of the consolidation; and

18 (2) apply to employees of the department consolidated into the  
19 fire department of the consolidated city who become employees  
20 of the consolidated fire department.

21 (e) If the requirements of subsection (g) are satisfied and the fire  
22 department of an entity listed in subsection (a) is consolidated into the  
23 fire department of a consolidated city, the indebtedness related to fire  
24 protection services incurred before the effective date of the  
25 consolidation by the entity or a building, holding, or leasing  
26 corporation on behalf of the entity whose fire department is  
27 consolidated into the consolidated fire department under subsection (a)  
28 shall remain the debt of the entity and does not become and may not be  
29 assumed by the consolidated city. Indebtedness related to fire  
30 protection services that is incurred by the consolidated city before the  
31 effective date of the consolidation shall remain the debt of the  
32 consolidated city and property taxes levied to pay the debt may only be  
33 levied by the fire special service district.

34 (f) If the requirements of subsection (g) are satisfied and the fire  
35 department of an entity listed in subsection (a) is consolidated into the  
36 fire department of a consolidated city, the merit board and the merit  
37 system of the fire department that is consolidated are dissolved on the  
38 effective date of the consolidation, and the duties of the merit board are  
39 transferred to and assumed by the merit board for the consolidated fire  
40 department on the effective date of the consolidation.

41 (g) A township legislative body, after approval by the township  
42 trustee, may adopt a resolution approving the consolidation of the

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township's fire department with the fire department of the consolidated city. A township legislative body may adopt a resolution under this subsection only after the township legislative body has held a public hearing concerning the proposed consolidation. The township legislative body shall hold the hearing not earlier than thirty (30) days after the date the resolution is introduced. The hearing shall be conducted in accordance with IC 5-14-1.5 and notice of the hearing shall be published in accordance with IC 5-3-1. If the township legislative body has adopted a resolution under this subsection, the township legislative body shall, after approval from the township trustee, forward the resolution to the legislative body of the consolidated city. If such a resolution is forwarded to the legislative body of the consolidated city and the legislative body of the consolidated city adopts an ordinance, approved by the mayor of the consolidated city, approving the consolidation of the fire department of the township into the fire department of the consolidated city, the requirements of this subsection are satisfied. The consolidation shall take effect on the date agreed to by the township legislative body in its resolution and by the legislative body of the consolidated city in its ordinance approving the consolidation.

(h) The following apply if the requirements of subsection (g) are satisfied:

(1) The consolidation of the fire department of that township is effective on the date agreed to by the township legislative body in the resolution and by the legislative body of the consolidated city in its ordinance approving the consolidation.

(2) Notwithstanding any other provision, a firefighter:

(A) who is a member of the 1977 fund before the effective date of a consolidation under this section; and

(B) who, after the consolidation, becomes an employee of the fire department of a consolidated city under this section;

remains a member of the 1977 fund without being required to meet the requirements under IC 36-8-8-19 and IC 36-8-8-21. The firefighter shall receive credit for any service as a member of the 1977 fund before the consolidation to determine the firefighter's eligibility for benefits under IC 36-8-8.

(3) Notwithstanding any other provision, a firefighter:

(A) who is a member of the 1937 fund before the effective date of a consolidation under this section; and

(B) who, after the consolidation, becomes an employee of the fire department of a consolidated city under this section;

remains a member of the 1937 fund. The firefighter shall receive

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1 credit for any service as a member of the 1937 fund before the  
 2 consolidation to determine the firefighter's eligibility for benefits  
 3 under IC 36-8-7.

4 (4) For property taxes first due and payable in the year in which  
 5 the consolidation is effective, the maximum permissible ad  
 6 valorem property tax levy under IC 6-1.1-18.5:

7 (A) is increased for the consolidated city by an amount equal  
 8 to the maximum permissible ad valorem property tax levy in  
 9 the year preceding the year in which the consolidation is  
 10 effective for fire protection and related services by the  
 11 township whose fire department is consolidated into the fire  
 12 department of the consolidated city under this section; and

13 (B) is reduced for the township whose fire department is  
 14 consolidated into the fire department of the consolidated city  
 15 under this section by the amount equal to the maximum  
 16 permissible ad valorem property tax levy in the year preceding  
 17 the year in which the consolidation is effective for fire  
 18 protection and related services for the township.

19 (5) The amount levied in the year preceding the year in which the  
 20 consolidation is effective by the township whose fire department  
 21 is consolidated into the fire department of the consolidated city  
 22 for the township's cumulative building and equipment fund for  
 23 fire protection and related services is transferred on the effective  
 24 date of the consolidation to the consolidated city's cumulative  
 25 building and equipment fund for fire protection and related  
 26 services, which is hereby established. The consolidated city is  
 27 exempted from the requirements of IC 36-8-14 and ~~IC 6-1.1-41~~  
 28 regarding establishment of the cumulative building and  
 29 equipment fund for fire protection and related services.

30 (6) The local boards for the 1937 firefighters' pension fund and  
 31 the 1977 police officers' and firefighters' pension and disability  
 32 fund of the township are dissolved, and their services are  
 33 terminated not later than the effective date of the consolidation.  
 34 The duties performed by the local boards under IC 36-8-7 and  
 35 IC 36-8-8, respectively, are assumed by the consolidated city's  
 36 local board for the 1937 firefighters' pension fund and local board  
 37 for the 1977 police officers' and firefighters' pension and  
 38 disability fund, respectively. Notwithstanding any other provision,  
 39 the legislative body of the consolidated city may adopt an  
 40 ordinance to adjust the membership of the consolidated city's  
 41 local board to reflect the consolidation.

42 (7) The consolidated city may levy property taxes within the

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consolidated city's maximum permissible ad valorem property tax levy limit to provide for the payment of the expenses for the operation of the consolidated fire department. However, property taxes to fund the pension obligation under IC 36-8-7 for members of the 1937 firefighters fund who were employees of the consolidated city at the time of the consolidation may be levied only by the fire special service district within the fire special service district. The fire special service district established under IC 36-3-1-6 may levy property taxes to provide for the payment of expenses for the operation of the consolidated fire department within the territory of the fire special service district. Property taxes to fund the pension obligation under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were members of the fire department of the consolidated city on the effective date of the consolidation may be levied only by the fire special service district within the fire special service district. Property taxes to fund the pension obligation for members of the 1937 firefighters fund who were not members of the fire department of the consolidated city on the effective date of the consolidation and members of the 1977 police officers' and firefighters' pension and disability fund who were not members of the fire department of the consolidated city on the effective date of the consolidation may be levied by the consolidated city within the city's maximum permissible ad valorem property tax levy. However, these taxes may be levied only within the fire special service district and any townships that have consolidated fire departments under this section.

(8) The executive of the consolidated city shall provide for an independent evaluation and performance audit, due before March 1 of the year in which the consolidation is effective and before March 1 in each of the following two (2) years, to determine:

(A) the amount of any cost savings, operational efficiencies, or improved service levels; and

(B) any tax shifts among taxpayers;

that result from the consolidation. The independent evaluation and performance audit must be provided to the legislative council in an electronic format under IC 5-14-6 and to the state budget committee.

SECTION 152. IC 36-3-4-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 21. (a) **Subject to IC 6-1.1-17.5**, the city-county legislative body may, by ordinance, make loans of money for the consolidated city and issue bonds for the

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1 purpose of refunding those loans. The loans may be made only for the  
 2 purpose of procuring money to be used in the exercise of the powers of  
 3 the city and for the payment of city debts.

4 (b) An ordinance adopted under this section:

5 (1) must include the terms of the bonds to be issued in evidence  
 6 of the loan;

7 (2) must include the time and manner of giving notice of the sale  
 8 of the bonds;

9 (3) must include the manner in which the bonds will be sold; and

10 (4) may authorize a total amount for any issue of bonds.

11 (c) Bonds issued under this section may be sold in parcels of any  
 12 size and at any time their proceeds are needed by the city.

13 (d) Bonds issued and sold by the city under this section:

14 (1) are negotiable with or without registration, as may be provided  
 15 by the ordinance authorizing the issue;

16 (2) may bear interest at any rate;

17 (3) may run not longer than thirty (30) years;

18 (4) may contain an option allowing the city to redeem them in  
 19 whole or in part at specified times prior to maturity; and

20 (5) may be sold for not less than par value.

21 (e) The fiscal officer of the consolidated city shall:

22 (1) manage and supervise the preparation, advertisement,  
 23 negotiations, and sale of bonds under this section, subject to the  
 24 terms of the ordinance authorizing the sale;

25 (2) deliver them to the county treasurer after they have been  
 26 properly executed and shall take ~~his~~ a receipt for them; and

27 (3) when a contract for the sale of all or any part of the bonds is  
 28 consummated, certify to the county treasurer the amount the  
 29 purchaser is to pay, together with the name and address of the  
 30 purchaser.

31 The county treasurer shall then receive from the purchaser the amount  
 32 certified by the fiscal officer, deliver the bonds to the purchaser, and  
 33 take the purchaser's receipt for the bonds. The fiscal officer and county  
 34 treasurer shall then report the proceedings in the sale to the legislative  
 35 body. However, if the county treasurer is not present to receive the  
 36 properly executed bonds from the fiscal officer or to issue the bonds,  
 37 the fiscal officer shall perform ~~his~~ **the county treasurer's** duties under  
 38 this subsection.

39 SECTION 153. IC 36-3-5-8, AS AMENDED BY P.L.219-2007,  
 40 SECTION 113, IS AMENDED TO READ AS FOLLOWS  
 41 [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) This section applies  
 42 whenever a special taxing district of the consolidated city has the

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power to issue bonds, notes, or warrants.

(b) Before any bonds, notes, or warrants of a special taxing district may be issued, the issue must be approved by resolution of the legislative body of the consolidated city.

(c) Any bonds of a special taxing district must be issued in the manner prescribed by statute for that district, and the board of the department having jurisdiction over the district shall:

(1) hold all required hearings;

(2) adopt all necessary resolutions; and

(3) appropriate the proceeds of the bonds;

in that manner. However, the legislative body shall levy each year the special tax required to pay the principal of and interest on the bonds and any bank paying charges.

(d) Notwithstanding any other statute, bonds of a special taxing district may:

(1) be dated;

(2) be issued in any denomination;

(3) mature at any time or times not exceeding fifty (50) years after their date; and

(4) be payable at any bank or banks;

as determined by the board. The interest rate or rates that the bonds will bear must be determined by bidding, notwithstanding IC 5-1-11-3.

(e) Bonds of a special taxing district are subject to the provisions of IC 5-1, **IC 6-1.1-17.5**, and ~~IC 6-1.1-20~~ **IC 6-1.1-18-5** relating to the filing of a petition requesting the issuance of bonds and giving notice of the petition; the giving of notice of a hearing on the appropriation of the proceeds of bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the department of local government finance; the right of taxpayers and voters to remonstrate against the issuance of bonds; **file petitions regarding a decision of a county board of tax and capital projects review**, and the sale of bonds at public sale.

SECTION 154. IC 36-4-6-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. (a) **Subject to IC 6-1.1-17.5**, the legislative body may, by ordinance, make loans of money and issue bonds for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the city or for the payment of city debts.

(b) An ordinance adopted under this section:

(1) must include the terms of the bonds to be issued in evidence of the loan;

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(2) must include the time and manner of giving notice of the sale of the bonds;

(3) must include the manner in which the bonds will be sold; and

(4) may authorize a total amount for any issue of bonds.

(c) Bonds issued under this section may be sold in parcels of any size and at any time their proceeds are needed by the city.

(d) Bonds issued and sold by a city under this section:

(1) are negotiable with or without registration, as may be provided by the ordinance authorizing the issue;

(2) may bear interest at any rate;

(3) may run not longer than thirty (30) years;

(4) may contain an option allowing the city to redeem them in whole or in part at specified times prior to maturity; and

(5) may be sold for not less than par value.

(e) The city fiscal officer shall:

(1) manage and supervise the preparation, advertisement, negotiations, and sale of bonds under this section, subject to the terms of the ordinance authorizing the sale;

(2) certify the amount the purchaser is to pay, together with the name and address of the purchaser;

(3) receive the amount of payment certified;

(4) deliver the bonds to the purchaser;

(5) take a receipt for the securities delivered;

(6) pay the purchaser's payment into the city treasury; and

(7) report the proceedings in the sale to the legislative body.

The actions of the fiscal officer under this subsection are ministerial.

SECTION 155. IC 36-4-6-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 20. (a) The legislative body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the city, and the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the city's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made in the same manner as loans made under section 19 of this chapter, except that:

(1) the ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans; and

(2) the loans must be evidenced by notes of the city in terms designating the nature of the consideration, the time and place

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payable, and the revenues out of which they will be payable.  
 Notes issued under this subsection are not ~~bonded indebtedness for~~  
~~purposes of IC 6-1.1-18.5~~; **subject to IC 6-1.1-17.5.**

(b) The legislative body may, by ordinance, make loans and issue notes for the purpose of refunding those loans in anticipation of revenues of the city that are anticipated to be levied and collected during the term of the loans. The term of a loan made under this subsection may not be more than five (5) years. Loans under this subsection shall be made in the same manner as loans made under section 19 of this chapter, except that:

(1) the ordinance authorizing the loans must appropriate and pledge to their payment a sufficient amount of the revenues in anticipation of which they are issued and out of which they are payable; and

(2) the loans must be evidenced by time warrants of the city in terms designating the nature of the consideration, the time and place payable, and the revenues in anticipation of which they are issued and out of which they are payable.

(c) An action to contest the validity of a loan made under this section must be brought within fifteen (15) days from the day on which the ordinance is adopted.

SECTION 156. IC 36-5-2-11, AS AMENDED BY P.L.219-2007, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) The legislative body may issue bonds for the purpose of procuring money to be used in the exercise of the powers of the town and for the payment of town debts. However, a town may not issue bonds to procure money to pay current expenses.

(b) Bonds issued under this section are payable in the amounts and at the times determined by the legislative body.

(c) Bonds issued under this section are subject to the provisions of IC 5-1 and ~~IC 6-1.1-20~~ **IC 6-1.1-18-5** relating to the ~~filing of a petition requesting the issuance of bonds and giving notice of the petition; the~~ giving of notice of a hearing on the appropriation of the proceeds of bonds, the right of taxpayers to appear and be heard on the proposed appropriation, ~~the approval of the appropriation by the department of local government finance, the right of taxpayers and voters to remonstrate against the issuance of bonds;~~ and the sale of bonds at public sale for not less than their par value.

(d) The legislative body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of

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procuring money to be used in the exercise of the powers of the town, and the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the town's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made as follows:

- (1) The ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans.
- (2) The loans must be evidenced by notes of the town in terms designating the nature of the consideration, the time and place payable, and the revenues out of which they will be payable.
- (3) The interest accruing on the notes to the date of maturity may be added to and included in their face value or be made payable periodically, as provided in the ordinance.

Notes issued under this subsection are not ~~bonded indebtedness for purposes of IC 6-1.1-18.5~~; **subject to IC 6-1.1-17.5.**

SECTION 157. IC 36-6-1.5-12, AS ADDED BY P.L.240-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. The officers of the new township government shall:

- (1) obtain from the ~~department of local government finance~~ **county board of tax and capital projects review** approval under IC 6-1.1-18.5-7 of
  - ~~(A) a budget;~~
  - ~~(B) an ad valorem property tax levy; and~~
  - ~~(C) a property tax rate;~~
- (2) fix the annual budget under IC 6-1.1-17;
- (3) impose a property tax levy; and
- (4) take any action necessary to ensure the collection of fees and other revenue;

for the new township government for the budget year following the year the officers take office.

SECTION 158. IC 36-6-1.6-10, AS ADDED BY P.L.240-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. The officers of a new reestablished township government shall:

- (1) obtain from the ~~department of local government finance~~ **county board of tax and capital projects review** approval under IC 6-1.1-18.5-7 of
  - ~~(A) a budget;~~
  - ~~(B) an ad valorem property tax levy; and~~
  - ~~(C) a property tax rate;~~

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- (2) fix the annual budget under IC 6-1.1-17;
- (3) impose a property tax levy; and
- (4) take any action necessary to ensure the collection of fees and other revenue;

for the new township government for the budget year following the year the officers take office.

SECTION 159. IC 36-7-14-25.1, AS AMENDED BY P.L.219-2007, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of these sources, the redevelopment commission may, by resolution and subject to subsection ~~(p)~~ **(o) and IC 6-1.1-17.5**, issue the bonds of the special taxing district in the name of the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

- (1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;
- (2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;
- (3) capitalized interest permitted by this chapter and a debt service reserve for the bonds to the extent the redevelopment commission determines that a reserve is reasonably required; and
- (4) expenses that the redevelopment commission is required or permitted to pay under IC 8-23-17.

(b) If the redevelopment commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable, subject to the requirements of the bond resolution for registering the bonds. The resolution authorizing the bonds must state:

- (1) the denominations of the bonds;
- (2) the place or places at which the bonds are payable; and
- (3) the term of the bonds, which may not exceed fifty (50) years.

The resolution may also state that the bonds are redeemable before

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1 maturity with or without a premium, as determined by the  
2 redevelopment commission.

3 (d) The redevelopment commission shall certify a copy of the  
4 resolution authorizing the bonds to the municipal or county fiscal  
5 officer, who shall then prepare the bonds, subject to subsection ~~(p)~~: (o).  
6 The seal of the unit must be impressed on the bonds, or a facsimile of  
7 the seal must be printed on the bonds.

8 (e) The bonds must be executed by the appropriate officer of the  
9 unit, and attested by the municipal or county fiscal officer.

10 (f) The bonds are exempt from taxation for all purposes.

11 (g) The municipal or county fiscal officer shall give notice of the  
12 sale of the bonds by publication in accordance with IC 5-3-1. The  
13 municipal fiscal officer, or county fiscal officer or executive, shall sell  
14 the bonds to the highest bidder, but may not sell them for less than  
15 ninety-seven percent (97%) of their par value. However, bonds payable  
16 solely or in part from tax proceeds allocated under section 39(b)(2) of  
17 this chapter, or other revenues of the district may be sold at a private  
18 negotiated sale.

19 (h) Except as provided in subsection (i), a redevelopment  
20 commission may not issue the bonds when the total issue, including  
21 bonds already issued and to be issued, exceeds two percent (2%) of the  
22 adjusted value of the taxable property in the special taxing district, as  
23 determined under IC 36-1-15.

24 (i) The bonds are not a corporate obligation of the unit but are an  
25 indebtedness of the taxing district. The bonds and interest are payable,  
26 as set forth in the bond resolution of the redevelopment commission:

27 (1) from a special tax levied upon all of the property in the taxing  
28 district, as provided by section 27 of this chapter;

29 (2) from the tax proceeds allocated under section 39(b)(2) of this  
30 chapter;

31 (3) from other revenues available to the redevelopment  
32 commission; or

33 (4) from a combination of the methods stated in subdivisions (1)  
34 through (3).

35 If the bonds are payable solely from the tax proceeds allocated under  
36 section 39(b)(2) of this chapter, other revenues of the redevelopment  
37 commission, or any combination of these sources, they may be issued  
38 in any amount without limitation.

39 (j) Proceeds from the sale of bonds may be used to pay the cost of  
40 interest on the bonds for a period not to exceed five (5) years from the  
41 date of issuance.

42 (k) All laws relating to the giving of notice of the issuance of bonds,

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the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the ~~approval of the appropriation by the department of local government finance~~ **right of voters to file petitions regarding a decision of the county board of tax and capital projects review under IC 6-1.1-17.5** apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

~~(t) All laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds apply to bonds issued under this chapter, except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.~~

~~(m)~~ **(l)** If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

~~(n)~~ **(m)** Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be deposited in the allocation fund established under section 39(b)(2) of this chapter.

~~(o)~~ **(n)** If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the redevelopment commission. The redevelopment commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the redevelopment commission that are payable solely from revenues of the commission shall contain a statement to that effect in the form of bond.

~~(p)~~ **(o)** If the total principal amount of bonds authorized by a resolution of the redevelopment commission is equal to or greater than three million dollars (\$3,000,000), the bonds may not be issued without

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the approval, by resolution, of the legislative body of the unit.

SECTION 160. IC 36-7-14-25.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 25.2. (a) **Subject to IC 6-1.1-17.5**, a redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed fifty (50) years, and the lease may provide for payments to be made by the redevelopment commission from special benefits taxes levied under section 27 of this chapter, taxes allocated under section 39 of this chapter, any other revenues available to the redevelopment commission, or any combination of these sources.

(b) A lease may provide that payments by the redevelopment commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the redevelopment commission only after a public hearing by the redevelopment commission at which all interested parties are provided the opportunity to be heard. After the public hearing, the redevelopment commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the redevelopment commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the redevelopment commission in whole or in part from the levy of special benefits taxes under section 27 of this chapter and upon approval of the lease by the unit's fiscal body, the redevelopment commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the redevelopment district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable; as the case may be.

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(e) Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for a hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body; to the redevelopment commission; and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department and enclosed with fully prepaid postage sent to those persons at their usual place of residence; at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) (d) A redevelopment commission entering into a lease payable from allocated taxes under section 39 of this chapter or other available funds of the redevelopment commission may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(2) establish a special fund to make the payments.

(g) (e) Lease rentals may be limited to money in the special fund so that the obligations of the redevelopment commission to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) (f) Except as provided in this section, no approvals of any governmental body or agency are required before the redevelopment commission enters into a lease under this section.

(i) (g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, a remonstrance petition is filed under IC 6-1.1-17.5-16, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department. **deadline for filing a counterpetition under IC 6-1.1-17.5-17.**

(j) (h) If a redevelopment commission exercises an option to buy a leased facility from a lessor, the redevelopment commission may

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1 subsequently sell the leased facility, without regard to any other statute,  
 2 to the lessor at the end of the lease term at a price set forth in the lease  
 3 or at fair market value established at the time of the sale by the  
 4 redevelopment commission through auction, appraisal, or arms length  
 5 negotiation. If the facility is sold at auction, after appraisal, or through  
 6 negotiation, the redevelopment commission shall conduct a hearing  
 7 after public notice in accordance with IC 5-3-1 before the sale. Any  
 8 action to contest the sale must be brought within fifteen (15) days of  
 9 the hearing.

10 SECTION 161. IC 36-7-14-27.5, AS AMENDED BY P.L.224-2007,  
 11 SECTION 121, IS AMENDED TO READ AS FOLLOWS  
 12 [EFFECTIVE JANUARY 1, 2009]: Sec. 27.5. (a) The redevelopment  
 13 commission may borrow money in anticipation of receipt of the  
 14 proceeds of taxes levied for the redevelopment district bond fund and  
 15 not yet collected, and may evidence this borrowing by issuing warrants  
 16 of the redevelopment district. However, the aggregate principal amount  
 17 of warrants issued in anticipation of and payable from the same tax  
 18 levy or levies may not exceed an amount equal to eighty percent (80%)  
 19 of that tax levy or levies, as certified by the department of local  
 20 government finance, or as determined by multiplying the rate of tax as  
 21 finally approved by **the redevelopment commission** by the total  
 22 assessed valuation (after deducting all mortgage deductions) within the  
 23 redevelopment district, as most recently certified by the county auditor.

24 (b) The warrants may be authorized and issued at any time after the  
 25 tax or taxes in anticipation of which they are issued have been levied  
 26 by the redevelopment commission. For purposes of this section, taxes  
 27 for any year are considered to be levied upon adoption by the  
 28 commission of a resolution prescribing the tax levies for the year.  
 29 However, the warrants may not be delivered and paid for before final  
 30 approval of the tax levy or levies by the county board of tax adjustment  
 31 (before January 1, 2009), the county board of tax and capital projects  
 32 review (after December 31, 2008), or, if appealed, by the department  
 33 of local government finance, unless the issuance of the warrants has  
 34 been approved by the department.

35 (c) All action that this section requires or authorizes the  
 36 redevelopment commission to take may be taken by resolution, which  
 37 need not be published or posted. The resolution takes effect  
 38 immediately upon its adoption by the redevelopment commission. An  
 39 action to contest the validity of tax anticipation warrants may not be  
 40 brought later than ten (10) days after the sale date.

41 (d) In their resolution authorizing the warrants, the redevelopment  
 42 commission must provide that the warrants mature at a time or times

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not later than December 31 after the year in which the taxes in anticipation of which the warrants are issued are due and payable.

(e) In their resolution authorizing the warrants, the redevelopment commission may provide:

- (1) the date of the warrants;
- (2) the interest rate of the warrants;
- (3) the time of interest payments on the warrants;
- (4) the denomination of the warrants;
- (5) the form either registered or payable to bearer, of the warrants;
- (6) the place or places of payment of the warrants, either inside or outside the state;
- (7) the medium of payment of the warrants;
- (8) the terms of redemption, if any, of the warrants, at a price not exceeding par value and accrued interest;
- (9) the manner of execution of the warrants; and
- (10) that all costs incurred in connection with the issuance of the warrants may be paid from the proceeds of the warrants.

(f) The warrants shall be sold for not less than par value, after notice inviting bids has been published under IC 5-3-1. The redevelopment commission may also publish the notice in other newspapers or financial journals.

(g) Warrants and the interest on them are not subject to any limitation contained in section 25.1 of this chapter, and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

SECTION 162. IC 36-7-15.1-17, AS AMENDED BY P.L.219-2007, SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 19 of this chapter, the taxes allocated under section 26 of this chapter, or other revenues of the redevelopment district, the commission may, by resolution **and subject to IC 6-1.1-17.5**, issue the bonds of the redevelopment district in the name of the consolidated city and in accordance with IC 36-3-5-8. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

- (1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

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(2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;

(4) the total cost of all clearing and construction work provided for in the resolution; and

(5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If the commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable subject to the requirements of the bond resolution for the registration of the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

(2) the place or places at which the bonds are payable; and

(3) the term of the bonds, which may not exceed fifty (50) years.

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the commission.

(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the consolidated city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the city executive and attested by the fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the fiscal officer.

(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The city fiscal officer shall sell the bonds according to law. Notwithstanding IC 36-3-5-8, bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

(1) from a special tax levied upon all of the property in the

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1 redevelopment district, as provided by section 19 of this chapter;  
 2 (2) from the tax proceeds allocated under section 26(b)(2) of this  
 3 chapter;  
 4 (3) from other revenues available to the commission; or  
 5 (4) from a combination of the methods stated in subdivisions (1)  
 6 through (3);

7 and from any revenues of the designated project. If the bonds are  
 8 payable solely from the tax proceeds allocated under section 26(b)(2)  
 9 of this chapter, other revenues of the redevelopment commission, or  
 10 any combination of these sources, they may be issued in any amount  
 11 without limitation.

12 (i) Proceeds from the sale of the bonds may be used to pay the cost  
 13 of interest on the bonds for a period not to exceed five (5) years from  
 14 the date of issue.

15 ~~(j) Notwithstanding IC 36-3-5-8, the laws relating to the filing of~~  
 16 ~~petitions requesting the issuance of bonds and the right of taxpayers~~  
 17 ~~and voters to remonstrate against the issuance of bonds applicable to~~  
 18 ~~bonds issued under this chapter do not apply to bonds payable solely~~  
 19 ~~or in part from tax proceeds allocated under section 26(b)(2) of this~~  
 20 ~~chapter, other revenues of the commission, or any combination of these~~  
 21 ~~sources.~~

22 ~~(k)~~ (j) If bonds are issued under this chapter that are payable solely  
 23 or in part from revenues to the commission from a project or projects,  
 24 the commission may adopt a resolution or trust indenture or enter into  
 25 covenants as is customary in the issuance of revenue bonds. The  
 26 resolution or trust indenture may pledge or assign the revenues from  
 27 the project or projects but may not convey or mortgage any project or  
 28 parts of a project. The resolution or trust indenture may also contain  
 29 any provisions for protecting and enforcing the rights and remedies of  
 30 the bond owners as may be reasonable and proper and not in violation  
 31 of law, including covenants setting forth the duties of the commission.  
 32 The commission may establish fees and charges for the use of any  
 33 project and covenant with the owners of any bonds to set those fees and  
 34 charges at a rate sufficient to protect the interest of the owners of the  
 35 bonds. Any revenue bonds issued by the commission that are payable  
 36 solely from revenues of the commission must contain a statement to  
 37 that effect in the form of bond.

38 SECTION 163. IC 36-7-15.1-17.1 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17.1. (a) **Subject**  
 40 **to IC 6-1.1-17.5**, a commission may enter into a lease of any property  
 41 that may be financed with the proceeds of bonds issued under this  
 42 chapter with a lessor for a term not to exceed fifty (50) years. The lease

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may provide for payments to be made by the commission from special benefits taxes levied under section 19 of this chapter, taxes allocated under section 26 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 19 of this chapter and upon approval of the lease by the fiscal body, the commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for the hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the

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department of local government finance to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease and as to whether the payments under it are fair and reasonable, is final.

(c) A commission entering into a lease payable from allocated taxes under section 26 of this chapter or revenues or other available funds of the commission may:

- (1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and
- (2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(d) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(e) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, a remonstrance petition is filed under IC 6-1.1-17.5-16, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department. **deadline for filing a counterpetition under IC 6-1.1-17.5-17.**

(f) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

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SECTION 164. IC 36-7-15.1-26.9, AS AMENDED BY P.L.224-2007, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 26.9. (a) The definitions set forth in section 26.5 of this chapter apply to this section.

(b) The fiscal officer of the consolidated city shall publish in the newspaper in the county with the largest circulation all determinations made under section 26.5 or 26.7 of this chapter that result in the allowance or disallowance of credits. The publication of a determination made under section 26.5 of this chapter shall be made not later than June 20 of the year in which the determination is made. The publication of a determination made under section 26.7 of this chapter shall be made not later than December 5 of the year in which the determination is made.

(c) If credits are granted under section 26.5(g) or 26.5(h) of this chapter, whether in whole or in part, property taxes on personal property (as defined in IC 6-1.1-1-11) that are equal to the aggregate amounts of the credits for all taxpayers in the allocation area under section 26.5(g) and 26.5(h) of this chapter shall be:

- (1) allocated to the redevelopment district;
- (2) paid into the special fund for that allocation area; and
- (3) used for the purposes specified in section 26 of this chapter.

(d) The county auditor shall adjust the estimate of assessed valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing units in which the allocation area is located. The county auditor may amend this adjustment at any time before the earliest date a taxing unit must publish the unit's proposed property tax rate under IC 6-1.1-17-3 in the year preceding the year in which the credits under section 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to the assessed valuation shall be:

- (1) calculated to produce an estimated assessed valuation that will offset the effect that paying personal property taxes into the allocation area special fund under subsection (c) would otherwise have on the ability of a taxing unit to achieve the taxing unit's tax levy in the following year; and
- (2) used by the county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008), the department of local government finance, and each taxing unit in determining each taxing unit's tax rate and tax levy in the following year.

(e) The amount by which a taxing unit's levy is adjusted as a result of the county auditor's adjustment of assessed valuation under subsection (d), and the amount of the levy that is used to make direct

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1 payments to taxpayers under section 26.5(h) of this chapter, is not part  
 2 of the total county tax levy under IC 6-1.1-21-2(g). ~~and is not subject~~  
 3 ~~to IC 6-1.1-20.~~

4 (f) The ad valorem property tax ~~levy rate~~ limits imposed by  
 5 IC 6-1.1-18.5-3 and ~~IC 20-45-3~~ **IC 20-45-3-7** do not apply to ad  
 6 valorem property taxes imposed that are used to offset the effect of  
 7 paying personal property taxes into an allocation area special fund  
 8 during the taxable year under subsection (d) or to make direct payments  
 9 to taxpayers under section 26.5(h) of this chapter. For purposes of  
 10 computing the ad valorem property tax ~~levy rate~~ limits imposed under  
 11 IC 6-1.1-18.5-3 and ~~IC 20-45-3~~, **IC 20-45-3-7**, a taxing unit's ad  
 12 valorem property tax ~~levy rate~~ for a particular calendar year does not  
 13 include that part of the ~~levy rate~~ imposed to offset the effect of paying  
 14 personal property taxes into an allocation area special fund under  
 15 subsection (d) or to make direct payments to taxpayers under section  
 16 26.5(h) of this chapter.

17 (g) Property taxes on personal property that are deposited in the  
 18 allocation area special fund:

19 (1) are subject to any pledge of allocated property tax proceeds  
 20 made by the redevelopment district under section 26(d) of this  
 21 chapter, including but not limited to any pledge made to owners  
 22 of outstanding bonds of the redevelopment district of allocated  
 23 taxes from that area; and

24 (2) may not be treated as property taxes used to pay interest or  
 25 principal due on debt under IC 6-1.1-21-2(g)(1)(D).

26 SECTION 165. IC 36-7-15.1-45, AS AMENDED BY P.L.219-2007,  
 27 SECTION 132, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JANUARY 1, 2009]: Sec. 45. (a) In addition to other  
 29 methods of raising money for property acquisition or redevelopment in  
 30 a redevelopment project area, and in anticipation of the special tax to  
 31 be levied under section 50 of this chapter, the taxes allocated under  
 32 section 53 of this chapter, or other revenues of the redevelopment  
 33 district, a commission may, by resolution **and subject to IC 6-1.1-17.5**,  
 34 issue the bonds of its redevelopment district in the name of the  
 35 excluded city. The amount of the bonds may not exceed the total, as  
 36 estimated by the commission, of all expenses reasonably incurred in  
 37 connection with the acquisition and redevelopment of the property,  
 38 including:

39 (1) the total cost of all land, rights-of-way, and other property to  
 40 be acquired and redeveloped;

41 (2) all reasonable and necessary architectural, engineering, legal,  
 42 financing, accounting, advertising, bond discount, and

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supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;

(4) the total cost of all clearing and construction work provided for in the resolution; and

(5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If a commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, a commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable subject to the requirements concerning registration of the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

(2) the place or places at which the bonds are payable; and

(3) the term of the bonds, which may not exceed fifty (50) years.

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the commission.

(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the excluded city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the excluded city executive and attested by the excluded city fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the excluded city fiscal officer.

(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The excluded city fiscal officer shall sell the bonds according to law. Bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the excluded city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

(1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 50 of this chapter;

(2) from the tax proceeds allocated under section 53(b)(2) of this chapter;

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- (3) from other revenues available to the commission; or  
 (4) from a combination of the methods described in subdivisions  
 (1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issue.

(j) ~~The laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds applicable to bonds issued under this chapter do~~ **IC 6-1.1-17.5** does not apply to bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to a commission from a project or projects, a commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.

SECTION 166. IC 36-7-15.1-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 46. (a) **Subject to IC 6-1.1-17.5**, a commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed fifty (50) years. The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

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(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of the fiscal body of the excluded city.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 50 of this chapter and upon approval of the lease by the fiscal body, the commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of the petition, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for the hearing in the redevelopment district, which must not be less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department and enclosed with fully prepaid postage sent to those

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persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease and as to whether the payments under it are fair and reasonable, is final.

(c) (d) A commission entering into a lease payable from allocated taxes under section 53 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease as provided in IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) (e) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) (f) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, a remonstrance petition is filed under IC 6-1.1-17.5-16, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department of local government finance: **deadline for filing a counterpetition under IC 6-1.1-17.5-17.**

(h) (g) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 167. IC 36-7-29-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) Subject to section 15 of this chapter **and IC 6-1.1-17.5**, the board may issue district bonds under this section for the payment of the cost of

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1 substance removal or remedial action at a qualified site.

2 (b) On adopting a resolution ordering the issuance of district bonds,  
3 the board shall certify a copy of the resolution and a copy of the  
4 approval to the treasurer of the district, who shall prepare the district  
5 bonds.

6 (c) The district bonds are special obligations of indebtedness of the  
7 district. The district bonds issued under this section, and interest on the  
8 district bonds, are payable solely out of a special tax levied on all of the  
9 property of the district or other funds that may, under this chapter, or  
10 under any other law, be used to pay debt service on bonds. The district  
11 bonds must recite the terms on the face of the district bonds together  
12 with the purpose for which the district bonds are issued. For the  
13 purpose of raising money to pay district bonds issued under this  
14 section, the board shall levy each year a special tax on all of the  
15 property in the district in the amount and the manner necessary to meet  
16 and pay the principal of the district bonds as they severally mature,  
17 together with all accruing interest on them. The tax is declared to  
18 constitute the amount of benefits resulting to all of the property of the  
19 district.

20 (d) All proceeds from the sale of district bonds shall be kept as a  
21 separate and specific fund, to pay the cost of substance removal or  
22 remedial action, and no part of the proceeds may be used for any other  
23 purpose, except as provided in IC 5-1-13 and IC 5-1-14.

24 (e) The tax levied each year shall be certified to the treasurer of the  
25 district and to the county auditor. The tax levied and certified shall be  
26 estimated and entered upon the tax duplicate by the county auditor and  
27 shall be collected and enforced. As the tax is collected by the county  
28 treasurer, the tax shall be transferred to the treasurer of the district, kept  
29 in a separate fund to be known as the district bond fund, and applied to  
30 the payment of the principal of and interest on the district bonds as the  
31 district bonds become due and to no other purpose, except as provided  
32 in IC 5-1-13 and IC 5-1-14.

33 (f) The special tax described in this section may not be levied after  
34 the last of the principal and interest on bonds issued under this chapter  
35 have been completely paid.

36 SECTION 168. IC 36-7-29-16 IS AMENDED TO READ AS  
37 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) District  
38 bonds may be issued by a board under this chapter without following  
39 any procedures set forth in any other statute except that the board must:

40 (1) adopt a bond resolution after a public hearing following public  
41 notice of the hearing published in accordance with IC 5-3-1;

42 ~~(2) publish notice of the determination to issue district bonds in~~

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1 accordance with IC 6-1.1-20-5;

2 ~~(3) (2) obtain the approval for comply with IC 6-1.1-18-5 with~~  
 3 **respect to** the appropriation of the proceeds of the district bonds  
 4 ~~as set forth in IC 6-1.1-18-5~~ if the appropriation is an additional  
 5 appropriation; and

6 ~~(4) obtain the approval of the department of local government~~  
 7 ~~finance for a tax levy under IC 6-1.1-18.5-8.~~

8 **(3) comply with IC 6-1.1-17.5.**

9 (b) The bond resolution must contain a finding that substance  
 10 removal or remedial action at the qualified site will be of public utility  
 11 and benefit because the conditions at the qualified site are detrimental  
 12 to the social and economic interests of the district.

13 SECTION 169. IC 36-7-30-18, AS AMENDED BY P.L.219-2007,  
 14 SECTION 134, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) In addition to other  
 16 methods of raising money for property acquisition, redevelopment, or  
 17 economic development activities in or directly serving or benefiting a  
 18 military base reuse area, and in anticipation of the taxes allocated under  
 19 section 25 of this chapter, other revenues of the district, or any  
 20 combination of these sources, the reuse authority may by resolution  
 21 issue the bonds of the special taxing district in the name of the unit,  
 22 **subject to IC 6-1.1-17.5.**

23 (b) The reuse authority shall certify a copy of the resolution  
 24 authorizing the bonds to the municipal or county fiscal officer, who  
 25 shall then prepare the bonds. The seal of the unit must be impressed on  
 26 the bonds or a facsimile of the seal must be printed on the bonds.

27 (c) The bonds must be executed by the appropriate officer of the  
 28 unit, and attested by the unit's fiscal officer.

29 (d) The bonds are exempt from taxation for all purposes.

30 (e) Bonds issued under this section may be sold at public sale in  
 31 accordance with IC 5-1-11 or at a negotiated sale.

32 (f) The bonds are not a corporate obligation of the unit but are an  
 33 indebtedness of the taxing district. The bonds and interest are payable,  
 34 as set forth in the bond resolution of the reuse authority, from any of  
 35 the following:

36 (1) The tax proceeds allocated under section 25 of this chapter.

37 (2) Other revenues available to the reuse authority.

38 (3) A combination of the methods stated in subdivisions (1)  
 39 through (2).

40 If the bonds are payable solely from the tax proceeds allocated under  
 41 section 25 of this chapter, other revenues of the reuse authority, or any  
 42 combination of these sources, the bonds may be issued in any amount

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without limitation.

(g) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years after the date of issuance.

(h) ~~All laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds do not apply~~ **IC 6-1.1-17.5 applies** to bonds issued under this chapter.

(i) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(j) If bonds are issued under this chapter that are payable solely or in part from revenues of the reuse authority, the reuse authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign revenues of the reuse authority and properties becoming available to the reuse authority under this chapter. The resolution or trust indenture may also contain provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including a covenant setting forth the duties of the reuse authority. The reuse authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set the fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Revenue bonds issued by the reuse authority that are payable solely from revenues of the reuse authority shall contain a statement to that effect in the form of the bond.

SECTION 170. IC 36-7-32-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 24. (a) **Subject to IC 6-1.1-17.5**, a redevelopment commission may issue bonds for the purpose of providing public facilities under this chapter.

(b) The bonds are payable solely from:

- (1) property tax proceeds allocated to the certified technology park fund under section 17 of this chapter;
- (2) money distributed to the redevelopment commission under section 22 of this chapter;
- (3) other funds available to the redevelopment commission; or
- (4) a combination of the methods in subdivisions (1) through (3).

(c) The bonds shall be authorized by a resolution of the redevelopment commission.

(d) The terms and form of the bonds shall be set out either in the resolution or in a form of trust indenture approved by the resolution.

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(e) The bonds must mature within fifty (50) years.

(f) The redevelopment commission shall sell the bonds at public or private sale upon such terms as determined by the redevelopment commission.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of providing public facilities within a certified technology park, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the public facilities and all related buildings, facilities, structures, and improvements;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the public facilities suitable for use and operation;

(4) architectural, engineering, consultant, and attorney's fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the redevelopment commission, but not to exceed five (5) years;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, for, and interest on, the bonds being refunded or refinanced.

SECTION 171. IC 36-8-6-5, AS AMENDED BY P.L.224-2007, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the municipality is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1925 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 4(a) of this chapter. The estimated disbursements consist of an estimate of the amount of

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1 money that will be needed by the local board during the next fiscal year  
 2 to defray the expenses and obligations incurred and that will be  
 3 incurred by the local board in making the payments prescribed by this  
 4 chapter to retired members, to members who are eligible to and expect  
 5 to retire during the ensuing fiscal year, and to the dependents of  
 6 deceased members.

7 (b) The local board may provide in its annual budget and pay all  
 8 necessary expenses of operating the 1925 fund, including the payment  
 9 of all costs of litigation and attorney fees arising in connection with the  
 10 fund, as well as the payment of benefits and pensions. Notwithstanding  
 11 any other law, neither the municipal legislative body, the county board  
 12 of tax adjustment (before January 1, 2009), the county board of tax and  
 13 capital projects review (after December 31, 2008), nor the department  
 14 of local government finance may reduce an item of expenditure.

15 (c) At the time when the estimates are prepared and submitted, the  
 16 local board shall also prepare and submit a certified statement showing:

17 (1) the name, age, and date of retirement of each retired member  
 18 and the monthly and yearly amount of the payment to which the  
 19 retired member is entitled;

20 (2) the name and age of each member who is eligible to and  
 21 expects to retire during the next fiscal year, the date on which the  
 22 member expects to retire, and the monthly and yearly amount of  
 23 the payment that the member will be entitled to receive; and

24 (3) the name and age of each dependent, the date on which the  
 25 dependent became a dependent, the date on which the dependent  
 26 will cease to be a dependent by reason of attaining the age at  
 27 which dependents cease to be dependents, and the monthly and  
 28 yearly amount of the payment to which the dependent is entitled.

29 (d) The total receipts shall be deducted from the total expenditures  
 30 stated in the itemized estimate and the amount of the excess of the  
 31 estimated expenditures over the estimated receipts shall be paid by the  
 32 municipality in the same manner as other expenses of the municipality  
 33 are paid. A tax levy shall be made annually for this purpose, as  
 34 provided in subsection (e). The estimates submitted shall be prepared  
 35 and filed in the same manner and form and at the same time that  
 36 estimates of other municipal offices and departments are prepared and  
 37 filed.

38 (e) The municipal legislative body shall levy an annual tax in the  
 39 amount and at the rate that are necessary to produce the revenue to pay  
 40 that part of the police pensions that the municipality is obligated to pay.  
 41 All money derived from the levy is for the exclusive use of the police  
 42 pensions and benefits. The amounts in the estimated disbursements, if

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found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the municipality. The legislative body shall make a levy for them that will yield an amount equal to the estimated disbursements, less the amount of the estimated receipts. Notwithstanding any other law, ~~neither the county board of tax adjustment (before January 1, 2009); the county board of tax and capital projects review (after December 31, 2008); nor~~ the department of local government finance may **not** reduce the levy.

SECTION 172. IC 36-8-7-14, AS AMENDED BY P.L.224-2007, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. (a) The local board shall meet annually and prepare an itemized estimate, in the form prescribed by the state board of accounts, of the amount of money that will be receipted into and disbursed from the 1937 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements must be divided into two (2) parts, designated as part 1 and part 2.

(b) Part 1 of the estimated disbursements consists of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the next fiscal year, and to the dependents of deceased members. Part 2 of the estimated disbursements consists of an estimate of the amount of money that will be needed to pay death benefits and other expenditures that are authorized or required by this chapter.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing the following:

- (1) The name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled.
- (2) The name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive.
- (3) The name and the age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is

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entitled.

(4) The amount that would be required for the next fiscal year to maintain level cost funding during the active fund members' employment on an actuarial basis.

(5) The amount that would be required for the next fiscal year to amortize accrued liability for active members, retired members, and dependents over a period determined by the local board, but not to exceed forty (40) years.

(d) The total receipts shall be deducted from the total expenditures as listed in the itemized estimate. The amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the unit in the same manner as other expenses of the unit are paid, and an appropriation shall be made annually for that purpose. The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other offices and departments of the unit are prepared and filed.

(e) The estimates shall be made a part of the annual budget of the unit. When revising the estimates, the executive, the fiscal officer, and other fiduciary officers may not reduce the items in part 1 of the estimated disbursements.

(f) The unit's fiscal body shall make the appropriations necessary to pay that proportion of the budget of the 1937 fund that the unit is obligated to pay under subsection (d). In addition, the fiscal body may make appropriations for purposes of subsection (c)(4), (c)(5), or both. All appropriations shall be made to the local board for the exclusive use of the 1937 fund. The amounts listed in part 1 of the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the unit. Notwithstanding any other law, ~~neither the county board of tax adjustment (before January 1, 2009); the county board of tax and capital projects review (after December 31, 2008); nor the department of local government finance may~~ **not** reduce the appropriations made to pay the amount equal to estimated disbursements minus estimated receipts.

SECTION 173. IC 36-8-7-22, AS AMENDED BY P.L.224-2007, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22. The 1937 fund may not be, either before or after an order for distribution to members of the fire department or to the surviving spouses or guardians of a child or children of a deceased, disabled, or retired member, held, seized, taken, subjected to, detained, or levied on by virtue of an attachment, execution, judgment, writ, interlocutory or other order, decree, or

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process, or proceedings of any nature issued out of or by a court in any state for the payment or satisfaction, in whole or in part, of a debt, damages, demand, claim, judgment, fine, or amercement of the member or the member's surviving spouse or children. The 1937 fund shall be kept and distributed only for the purpose of pensioning the persons named in this chapter. The local board may, however, annually expend an amount from the 1937 fund that it considers proper for the necessary expenses connected with the fund. Notwithstanding any other law, neither the fiscal body ~~the county board of tax adjustment (before January 1, 2009); the county board of tax and capital projects review (after December 31, 2008);~~ nor the department of local government finance may reduce these expenditures.

SECTION 174. IC 36-8-7.5-10, AS AMENDED BY P.L.224-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the police special service district is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1953 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

- (1) the estimated number of beneficiaries from the 1953 fund during the ensuing fiscal year in each of the various classifications of beneficiaries as prescribed in this chapter, and the names and amount of benefits being paid to those actively on the list of beneficiaries at that time;
- (2) the name, age, and length of service of each member of the police department who is eligible to and expects to retire during the ensuing fiscal year, and the monthly and yearly amounts of the payment that the member will be entitled to receive; and
- (3) the name and age of each dependent of a member of the police

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department who is then receiving benefits, the date on which the dependent commenced drawing benefits, and the date on which the dependent will cease to be a dependent by reason of attaining the age limit prescribed by this chapter, and the monthly and yearly amounts of the payments to which each of the dependents is entitled.

(c) After the amounts of receipts and disbursements shown in the itemized estimate are fixed and approved by the executive, fiscal officer, legislative body and other bodies, as provided by law for other municipal funds, the total receipts shall be deducted from the total expenditures stated in the itemized estimate, and the amount of the excess shall be paid by the police special service district in the same manner as other expenses of the district are paid. The legislative body shall levy a tax and the money derived from the levy shall, when collected, be credited exclusively to the 1953 fund. The tax shall be levied in the amount and at the rate that is necessary to produce sufficient revenue to equal the deficit. Notwithstanding any other law, ~~neither the county board of tax adjustment (before January 1, 2009); the county board of tax and capital projects review (after December 31, 2008); nor the department of local government finance may~~ **not** reduce the tax levy.

SECTION 175. IC 36-8-11-18, AS AMENDED BY P.L.224-2007, SECTION 127, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) The board shall annually budget the necessary money to meet the expenses of operation and maintenance of the district, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, bond redemption, and all other expenses lawfully incurred by the district. After estimating expenses and receipts of money, the board shall establish the tax levy required to fund the estimated budget, **subject to IC 6-1.1-17.5 and IC 6-1.1-18.5.**

(b) The budget must be approved by the fiscal body of the county ~~the county board of tax adjustment (before January 1, 2009); the county board of tax and capital projects review (after December 31, 2008); and~~ **reviewed by** the department of local government finance.

(c) ~~Upon approval~~ **After final review** by the department of local government finance, the board shall certify the approved tax levy to the auditor of the county having land within the district. The auditor shall have the levy entered on the county treasurer's tax records for collection. After collection of the taxes the auditor shall issue a warrant on the treasurer to transfer the revenues collected to the board, as provided by statute.

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SECTION 176. IC 36-8-11-23, AS AMENDED BY P.L.224-2007, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 23. (a) Any fire protection district may merge with one (1) or more protection districts to form a single district if at least one-eighth (1/8) of the aggregate external boundaries of the districts coincide.

(b) The legislative body of the county where at least two (2) districts are located (or if the districts are located in more than one (1) county, the legislative body of each county) shall, if petitioned by freeholders in the two (2) districts, adopt an ordinance merging the districts into a single fire protection district.

(c) Freeholders who desire the merger of at least two (2) fire protection districts must initiate proceedings by filing a petition in the office of the county auditor of each county where a district is located. The petition must be signed:

(1) by at least twenty percent (20%), with a minimum of five hundred (500) from each district, of the freeholders owning land within the district; or

(2) by a majority of the freeholders from the districts;

whichever is less.

(d) The petition described in subsection (c) must state the same items listed in section 7 of this chapter. Sections 6, 8, and 9 of this chapter apply to the petition and to the legislative body of each county in the proposed district.

(e) The board of fire trustees for each district shall form a single board, which shall continue to be appointed as prescribed by section 12 of this chapter. In addition, sections 13, 14, and 15 of this chapter relating to the board of fire trustees apply to the board of the merged district, except that if the merged district lies in more than one (1) county, the county legislative bodies serving the combined district shall jointly decide where the board shall locate (or approve relocation of) its office.

(f) Sections 16, 17, 18, 19, and 21 of this chapter relating to the taxing district, bonds, annual budget, tax levies, and disbanding of fire departments apply to a merged district. However, the budget must be approved by the county fiscal body and county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) in each county in the merged district. In addition, the auditor of each county in the district shall perform the duties described in section 18(c) of this chapter.

SECTION 177. IC 36-8-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Each

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township shall annually establish a township firefighting fund which is to be the exclusive fund used by the township for the payment of costs attributable to providing fire protection or emergency services under the methods prescribed in section 3 of this chapter and for no other purposes. The money in the fund may be paid out by the township executive with the consent of the township legislative body.

(b) Each township may levy, for each year, a tax for the township firefighting fund. Other than a township providing fire protection or emergency services or both to municipalities in the township under section 3(b) or 3(c) of this chapter, the tax levy is on all taxable real and personal property in the township outside the corporate boundaries of municipalities. Subject to:

(1) the levy limitations ~~contained~~ in IC 6-1.1-18.5 **for property taxes first due and payable before 2010; or**

(2) the rate limitations in IC 6-1.1-18.5 **for property taxes first due and payable after 2009;**

the township levy is to be in an amount sufficient to pay all costs attributable to fire protection and emergency services that are not paid from other revenues available to the fund. The tax rate and levy shall be established in accordance with the procedures set forth in IC 6-1.1-17 **and IC 6-1.1-17.5.**

(c) In addition to the tax levy and service charges received under IC 36-8-12-13 and IC 36-8-12-16, the executive may accept donations to the township for the purpose of firefighting and other emergency services and shall place them in the fund, keeping an accurate record of the sums received. A person may also donate partial payment of any purchase of firefighting or other emergency services equipment made by the township.

(d) If a fire department serving a township dispatches fire apparatus or personnel to a building or premises in the township in response to:

(1) an alarm caused by improper installation or improper maintenance; or

(2) a drill or test, if the fire department is not previously notified that the alarm is a drill or test;

the township may impose a fee or service charge upon the owner of the property. However, if the owner of property that constitutes the owner's residence establishes that the alarm is under a maintenance contract with an alarm company and that the alarm company has been notified of the improper installation or maintenance of the alarm, the alarm company is liable for the payment of the fee or service charge.

(e) The amount of a fee or service charge imposed under subsection (d) shall be determined by the township legislative body. All money

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received by the township from the fee or service charge must be deposited in the township's firefighting fund.

SECTION 178. IC 36-8-13-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.5. (a) This section applies to a township that provides fire protection or emergency services, or both to a municipality in the township under section 3(b) or 3(c) of this chapter.

(b) With the consent of the township legislative body, the township executive shall pay the expenses for fire protection and emergency services in the township, both inside and outside the corporate boundaries of participating municipalities, from any combination of the following township funds, regardless of when the funds were established:

(1) The township firefighting fund under section 4 of this chapter.

(2) The cumulative building and equipment fund under IC 36-8-14.

(3) The debt fund under sections 6 and 6.5 of this chapter.

(c) Subject to the ~~levy rate~~ limitations contained in IC 6-1.1-18.5, the tax rate and levy for the township firefighting fund, the cumulative building and equipment fund, or the debt fund is to be in an amount sufficient to pay all costs attributable to fire protection or emergency services that are provided to the township and the participating municipalities that are not paid from other available revenues. The tax rate and levy for each fund shall be established in accordance with the procedures set forth in IC 6-1.1-17 and apply both inside and outside the corporate boundaries of participating municipalities.

(d) The township executive may accept donations for the purpose of firefighting and emergency services. The township executive shall place donations in the township firefighting fund. A person may donate partial payment of a purchase of firefighting or emergency services equipment made by the township.

SECTION 179. IC 36-8-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) As used in this section, "emergency medical services" has the meaning set forth in IC 16-18-2-110.

(b) As used in this section, "volunteer fire department" has the meaning set forth in IC 36-8-12-2.

(c) The legislative body of a unit or the board of fire trustees of a fire protection district may provide a cumulative building and equipment fund ~~under IC 6-1.1-41~~ for the following purposes:

(1) The:

(A) purchase, construction, renovation, or addition to

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- 1 buildings; or  
 2 (B) purchase of land;  
 3 used by the fire department or a volunteer fire department serving  
 4 the unit.  
 5 (2) The purchase of firefighting equipment for use of the fire  
 6 department or a volunteer fire department serving the unit,  
 7 including making the required payments under a lease rental with  
 8 option to purchase agreement made to acquire the equipment.  
 9 (3) In a municipality, the purchase of police radio equipment.  
 10 (4) The:  
 11 (A) purchase, construction, renovation, or addition to a  
 12 building;  
 13 (B) purchase of land; or  
 14 (C) purchase of equipment;  
 15 for use of a provider of emergency medical services under  
 16 IC 16-31-5 to the unit establishing the fund.  
 17 (d) ~~In addition to the requirements of IC 6-1.1-41,~~ Before a  
 18 cumulative fund may be established by a township fire protection  
 19 district, the county legislative body which appoints the trustees of the  
 20 fire protection district must approve the establishment of the fund.  
 21 SECTION 180. IC 36-8-14-4 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) To provide  
 23 for the cumulative building and equipment fund established under this  
 24 chapter, the legislative body may levy a tax on all taxable property  
 25 within the taxing district, ~~in compliance with IC 6-1.1-41,~~ **subject to**  
 26 **IC 6-1.1-17.5. For property taxes first due and payable before**  
 27 **2010,** the tax rate may not exceed three and thirty-three hundredths  
 28 cents (\$0.0333) on each one hundred dollars (\$100) of assessed  
 29 valuation of property in the taxing district. **For property taxes first**  
 30 **due and payable after 2009, the levy under this subsection is**  
 31 **subject to the unit's maximum permissible property tax rate under**  
 32 **IC 6-1.1-18.5.**  
 33 (b) As the tax is collected, it shall be deposited in a qualified public  
 34 depository or depositories and held in a special fund to be known as the  
 35 building or remodeling, firefighting, and police radio equipment fund  
 36 in the case of a municipality or as the building or remodeling and fire  
 37 equipment fund in the case of a township or fire protection district.  
 38 SECTION 181. IC 36-8-15-19, AS AMENDED BY P.L.148-2007,  
 39 SECTION 9, AND P.L.195-2007, SECTION 10, AND AS AMENDED  
 40 BY P.L.224-2007, SECTION 131, IS CORRECTED AND AMENDED  
 41 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19.  
 42 (a) This subsection applies to a county *not having a consolidated city*.

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1 *that has a population of more than one hundred eighty-two thousand*  
 2 *seven hundred ninety (182,790) but less than two hundred thousand*  
 3 *(200,000). For the purpose of raising money to fund the operation of*  
 4 *the district, the county fiscal body may impose, for property taxes first*  
 5 *due and payable during each year after the adoption of an ordinance*  
 6 *establishing the district, an ad valorem property tax levy on property*  
 7 *within the district, **subject to IC 6-1.1-17.5. For property taxes first***  
 8 ***due and payable before 2010,** the property tax rate for that levy may*  
 9 *not exceed five cents (\$0.05) on each one hundred dollars (\$100) of*  
 10 *assessed valuation. **For property taxes first due and payable after***  
 11 ***2009, the levy under this subsection is subject to the county's***  
 12 ***maximum permissible property tax rate under IC 6-1.1-18.5.***

13 (b) This subsection applies to a county having a consolidated city.  
 14 The county fiscal body may elect to fund the operation of the district  
 15 from part of the certified distribution, if any, that the county is to  
 16 receive during a particular calendar year under IC 6-3.5-6-17. To make  
 17 such an election, the county fiscal body must adopt an ordinance before  
 18 September 1 of the immediately preceding calendar year. The county  
 19 fiscal body must specify in the ordinance the amount of the certified  
 20 distribution that is to be used to fund the operation of the district. If the  
 21 county fiscal body adopts such an ordinance, it shall immediately send  
 22 a copy of the ordinance to the county auditor.

23 (c) Subject to subsections (d), (e), and (f), if an ordinance or a  
 24 resolution is adopted changing the territory covered by the district or  
 25 the number of public agencies served by the district, the local  
 26 government tax control board (*before January 1, 2009*) or the county  
 27 board of tax and capital projects review (*after December 31, 2008*)  
 28 shall, for property taxes first due and payable during the year after the  
 29 adoption of the ordinance, adjust the maximum permissible ad valorem  
 30 property tax ~~levy rate~~ limits of the district and the units participating  
 31 in the district.

32 (d) If a unit by ordinance or resolution joins the district or elects to  
 33 have its public safety agencies served by the district, the local  
 34 government tax control board (*before January 1, 2009*) or the county  
 35 board of tax and capital projects review (*after December 31, 2008*)  
 36 shall reduce the ~~maximum permissible~~ ad valorem property tax levy of  
 37 the unit for property taxes first due and payable during the year after  
 38 the adoption of the ordinance or resolution. The reduction shall be  
 39 based on the amount budgeted by the unit for public safety  
 40 communication services in the year in which the ordinance was  
 41 adopted. If such an ordinance or resolution is adopted, the district shall  
 42 refer its proposed ~~budget, ad valorem property tax levy, and property~~

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1 tax rate for the following year to the **county board of tax and capital**  
 2 **projects review**, which shall review and **set approve** the ~~budget, levy,~~  
 3 ~~and~~ rate as though the district were covered by IC 6-1.1-18.5-7.

4 (e) If a unit by ordinance or resolution withdraws from the district  
 5 or rescinds its election to have its public safety agencies served by the  
 6 district, the local government tax control board (*before January 1,*  
 7 *2009) or the county board of tax and capital projects review (after*  
 8 *December 31, 2008)* shall reduce the ~~maximum permissible~~ ad valorem  
 9 property tax levy of the district for property taxes first due and payable  
 10 during the year after the adoption of the ordinance or resolution. The  
 11 reduction shall be based on the amounts being levied by the district  
 12 within that unit. If such an ordinance or resolution is adopted, the unit  
 13 shall refer its proposed ~~budget, ad valorem~~ property tax ~~levy, and~~  
 14 ~~property tax~~ rate for public safety communication services to the  
 15 **county board of tax and capital projects review**, which shall review  
 16 and set the budget, levy, and rate as though the unit were covered by  
 17 IC 6-1.1-18.5-7.

18 (f) The adjustments provided for in subsections (c), (d), and (e) do  
 19 not apply to a district or unit located in a particular county if the county  
 20 fiscal body of that county does not impose an ad valorem property tax  
 21 levy under subsection (a) to fund the operation of the district.

22 (g) *A county that has adopted an ordinance under section 1(3) of*  
 23 *this chapter may not impose an ad valorem property tax levy on*  
 24 *property within the district to fund the operation or implementation of*  
 25 *the district.*

26 SECTION 182. IC 36-8-19-8, AS AMENDED BY P.L.47-2007,  
 27 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JANUARY 1, 2009]: Sec. 8. (a) Upon the adoption of identical  
 29 ordinances or resolutions, or both, by the participating units under  
 30 section 6 of this chapter, the designated provider unit must establish a  
 31 fire protection territory fund from which all expenses of operating and  
 32 maintaining the fire protection services within the territory, including  
 33 repairs, fees, salaries, depreciation on all depreciable assets, rents,  
 34 supplies, contingencies, and all other expenses lawfully incurred within  
 35 the territory shall be paid. The purposes described in this subsection are  
 36 the sole purposes of the fund, and money in the fund may not be used  
 37 for any other expenses. Except as allowed in subsections (d) and (e)  
 38 and section 8.5 of this chapter, the provider unit is not authorized to  
 39 transfer money out of the fund at any time.

40 (b) The fund consists of the following:

- 41 (1) All receipts from the tax imposed under this section.
- 42 (2) Any money transferred to the fund by the provider unit as

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authorized under subsection (d).

(3) Any receipts from a false alarm fee or service charge imposed by the participating units under IC 36-8-13-4.

(c) The provider unit, with the assistance of each of the other participating units, shall annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory, plus a reasonable operating balance, not to exceed twenty percent (20%) of the budgeted expenses. After estimating expenses and receipts of money, the provider unit shall establish the tax levy required to fund the estimated budget. The amount budgeted under this subsection shall be considered a part of each of the participating unit's budget.

(d) If the amount levied in a particular year is insufficient to cover the costs incurred in providing fire protection services within the territory, the provider unit may transfer from available sources to the fire protection territory fund the money needed to cover those costs. In this case:

(1) the levy in the following year shall be increased by the amount required to be transferred; and

(2) the provider unit is entitled to transfer the amount described in subdivision (1) from the fund as reimbursement to the provider unit.

(e) If the amount levied in a particular year exceeds the amount necessary to cover the costs incurred in providing fire protection services within the territory, the levy in the following year shall be reduced by the amount of surplus money that is not transferred to the equipment replacement fund established under section 8.5 of this chapter. The amount that may be transferred to the equipment replacement fund may not exceed five percent (5%) of the levy for that fund for that year. Each participating unit must agree to the amount to be transferred by adopting an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that specifies an identical amount to be transferred.

~~(f) The tax under this section is not subject to the tax levy limitations imposed on civil taxing units under IC 6-1.1-18.5 for any unit that is a participating unit in a fire protection territory that was established before August 1, 2001.~~

~~(g)~~ (f) This subsection applies to a participating unit in a fire protection territory established under IC 36-8-19 after July 31, 2001. For purposes of calculating a participating unit's maximum permissible ad valorem property tax levy for the three (3) calendar years in which the participating unit levies a tax to support the territory, the unit's

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1 maximum permissible ad valorem property tax levy for the preceding  
 2 calendar year under IC 6-1.1-18.5-3(a) STEP ONE or  
 3 IC 6-1.1-18.5-3(b) STEP ONE is increased each year by an amount  
 4 equal to the difference between the:

5 (1) amount the unit will have to levy for the ensuing calendar year  
 6 in order to fund the unit's share of the fire protection territory  
 7 budget for the operating costs as provided in the ordinance or  
 8 resolution making the unit a participating unit in the fire  
 9 protection territory; and

10 (2) unit's levy for fire protection services for the calendar year that  
 11 immediately precedes the ensuing calendar year in which the  
 12 participating unit levies a tax to support the territory.

13 SECTION 183. IC 36-8-19-13, AS AMENDED BY P.L.47-2007,  
 14 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JANUARY 1, 2009]: Sec. 13. ~~(a)~~ If a unit elects to withdraw from a  
 16 fire protection territory established under this chapter, the unit must  
 17 after January 1 but before April 1, adopt an ordinance (if the unit is a  
 18 county or municipality) or a resolution (if the unit is a township)  
 19 providing for the withdrawal. An ordinance or resolution adopted under  
 20 this section takes effect July 1 of the year that the ordinance or  
 21 resolution is adopted.

22 ~~(b) If an ordinance or a resolution is adopted under subsection (a):~~

23 ~~(1) the unit's maximum permissible ad valorem property tax levy~~  
 24 ~~with respect to fire protection services shall be initially increased~~  
 25 ~~by the amount of the particular unit's previous year levy under this~~  
 26 ~~chapter; and~~

27 ~~(2) additional increases with respect to fire protection services~~  
 28 ~~levy amounts are subject to the tax levy limitations under~~  
 29 ~~IC 6-1.1-18.5; except for the part of the unit's levy that is~~  
 30 ~~necessary to retire the unit's share of any debt incurred while the~~  
 31 ~~unit was a participating unit.~~

32 SECTION 184. IC 36-9-3-29, AS AMENDED BY P.L.224-2007,  
 33 SECTION 132, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE JANUARY 1, 2009]: Sec. 29. The board shall prepare  
 35 an annual budget for the authority's operating and maintenance  
 36 expenditures and necessary capital expenditures. Each annual budget  
 37 is subject to review ~~and modification~~ by the:

38 (1) fiscal body of the county or municipality that establishes the  
 39 authority; and

40 (2) ~~county board of tax adjustment (before January 1, 2009) or the~~  
 41 ~~county board of tax and capital projects review (after December~~  
 42 ~~31, 2008) and the department of local government finance under~~

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1 IC 6-1.1-17.

2 SECTION 185. IC 36-9-3-31, AS AMENDED BY P.L.219-2007,  
3 SECTION 141, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JANUARY 1, 2009]: Sec. 31. (a) This section applies to  
5 an authority that includes a county having a population of more than  
6 four hundred thousand (400,000) but less than seven hundred thousand  
7 (700,000).

8 (b) The authority may issue revenue or general obligation bonds  
9 under this section.

10 (c) The board may issue revenue bonds of the authority for the  
11 purpose of procuring money to pay the cost of acquiring real or  
12 personal property for the purpose of this chapter. The issuance of bonds  
13 must be authorized by resolution of the board and approved by the  
14 county fiscal bodies of the counties in the authority before issuance.  
15 The resolution must provide for the amount, terms, and tenor of the  
16 bonds, and for the time and character of notice and mode of making  
17 sale of the bonds.

18 (d) The bonds are payable at the times and places determined by the  
19 board, but they may not run more than thirty (30) years after the date  
20 of their issuance and must be executed in the name of the authority by  
21 an authorized officer of the board and attested by the secretary. The  
22 interest coupons attached to the bonds may be executed by placing on  
23 them the facsimile signature of the authorized officer of the board.

24 (e) The president of the authority shall manage and supervise the  
25 preparation, advertisement, and sale of the bonds, subject to the  
26 authorizing ordinance. Before the sale of bonds, the president shall  
27 cause notice of the sale to be published in accordance with IC 5-3-1,  
28 setting out the time and place where bids will be received, the amount  
29 and maturity dates of the issue, the maximum interest rate, and the  
30 terms and conditions of sale and delivery of the bonds. The bonds shall  
31 be sold in accordance with IC 5-1-11. After the bonds have been  
32 properly sold and executed, the executive director or president shall  
33 deliver them to the controller of the authority and take a receipt for  
34 them, and shall certify to the treasurer the amount that the purchaser is  
35 to pay, together with the name and address of the purchaser. On  
36 payment of the purchase price the controller shall deliver the bonds to  
37 the purchaser, and the controller and executive director or president  
38 shall report their actions to the board.

39 (f) General obligation bonds issued under this section are subject to  
40 the provisions of IC 5-1, ~~and IC 6-1.1-20~~ **IC 6-1.1-17.5, and**  
41 **IC 6-1.1-18-5** relating to the filing of a petition requesting the issuance  
42 of bonds, the appropriation of the proceeds of bonds, the right of

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1 taxpayers to appeal and be heard on the proposed appropriation, ~~the~~  
 2 ~~approval of the appropriation by the department of local government~~  
 3 ~~finance; the right of taxpayers and voters to remonstrate against the~~  
 4 ~~issuance of bonds; file petitions regarding a decision of a county~~  
 5 **board of tax and capital projects review**, and the sale of bonds for  
 6 not less than their par value.

7 (g) Notice of the filing of a petition requesting the issuance of  
 8 bonds, notice of determination to issue bonds, and notice of the  
 9 appropriation of the proceeds of the bonds shall be given by posting in  
 10 the offices of the authority for a period of one (1) week and by  
 11 publication in accordance with IC 5-3-1.

12 (h) The bonds are not a corporate indebtedness of any unit, but are  
 13 an indebtedness of the authority as a municipal corporation. A suit to  
 14 question the validity of the bonds issued or to prevent their issuance  
 15 may not be instituted after the date set for sale of the bonds, and after  
 16 that date the bonds may not be contested for any cause.

17 (i) The bonds issued under this section and the interest on them are  
 18 exempt from taxation for all purposes except the financial institutions  
 19 tax imposed under IC 6-5.5 or a state inheritance tax imposed under  
 20 IC 6-4.1.

21 SECTION 186. IC 36-9-4-13.5 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13.5. (a) This  
 23 section applies to a county having a population of more than two  
 24 hundred thousand (200,000) but less than three hundred thousand  
 25 (300,000).

26 (b) The taxing district of a public transportation corporation under  
 27 this section includes all the territory inside the corporate boundaries of  
 28 the two (2) cities in the county having the largest populations and such  
 29 suburban territory as provided in section 13 of this chapter.

30 (c) This section applies upon the adoption of substantially identical  
 31 ordinances approving subsection (b) by both:

- 32 (1) the public transportation corporation incorporating the
- 33 additional territory; and
- 34 (2) the legislative body of the city being added to the taxing
- 35 district of the public transportation corporation.

36 (d) Whenever the city in the county having the second largest  
 37 population becomes a part of the public transportation corporation,  
 38 then two (2) additional directors representing that city shall be  
 39 appointed to the board of directors of the corporation. The directors  
 40 must be residents of that city and are entitled to all of the rights,  
 41 privileges, powers, and duties of directors under this chapter. The  
 42 executive and the legislative body of that city shall each appoint one

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(1) director. These two (2) directors must not be of the same political party. The director appointed by the legislative body shall serve for a term of one (1) year, and the director appointed by the executive shall serve for a term of two (2) years. Upon the expiration of the respective terms, successors shall be appointed in accordance with section 18 of this chapter.

(e) If the city in the county having the second largest population appropriates money to support the public transportation corporation in a particular year; and if the territory of that city subsequently becomes a part of the taxing district of the public transportation corporation in that year and is subject to a separate property tax levy for transportation services; the maximum permissible levy of that city for the year following the particular year used to compute the property tax levy limit under IC 6-1.1-18.5 is decreased; and the maximum permissible levy of the public transportation corporation for the particular year used to compute the property tax levy limit under IC 6-1.1-18.5 is increased; by an amount equivalent to the current contract amount to be paid by that city to the public transportation corporation for transportation services provided to that city in the particular year.

(f) (e) The public transportation corporation shall establish a single property tax rate applicable to the taxing district of the public transportation corporation, including the territory of the city in the county having the second largest population that is included in the public transportation corporation under this section. The initial permissible levy to be raised by this rate equals the sum of the amount raised by the levy of the public transportation corporation in the previous taxable year plus an amount equivalent to the current contract amount to be paid in the calendar year 1982 by the city in the county having the second largest population to the public transportation corporation. The permissible levy for the subsequent years shall be computed in accordance with IC 6-1.1-18.5.

(g) If the city in the county having the second largest population is excluded from the public transportation corporation in a subsequent year; and that city is no longer subject to a separate property tax levy for transportation services; the maximum permissible levy of the public transportation corporation for that subsequent year used to compute the property tax levy limit under IC 6-1.1-18.5 is decreased; and the maximum permissible levy of that city for that subsequent year used to compute the property tax levy limit under IC 6-1.1-18.5 is increased; by the amount of the product of the public transportation property tax rate for that subsequent year multiplied by the assessed value in that subsequent year of all taxable property in that city that is excluded from

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1 the public transportation corporation.

2 SECTION 187. IC 36-9-4-45, AS AMENDED BY P.L.219-2007,  
3 SECTION 142, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JANUARY 1, 2009]: Sec. 45. (a) Bonds issued under  
5 this chapter:

- 6 (1) shall be issued in the denomination;  
7 (2) are payable over a period not to exceed thirty (30) years from  
8 the date of the bonds; and  
9 (3) mature;

10 as determined by the ordinance authorizing the bond issue.

11 (b) All bonds issued under this chapter, the interest on them, and the  
12 income from them are exempt from taxation to the extent provided by  
13 IC 6-8-5-1.

14 (c) The provisions of ~~IC 6-1.1-20~~ **IC 6-1.1-17.5 and IC 6-1.1-18-5**  
15 relating to ~~filing petitions requesting the issuance of bonds and giving~~  
16 ~~notice of those petitions;~~ giving notice of a hearing on the appropriation  
17 of the proceeds of the bonds, the right of taxpayers to appear and be  
18 heard on the proposed appropriation, ~~the approval of the appropriation~~  
19 ~~by the department of local government finance;~~ and the right of  
20 taxpayers and voters to remonstrate against the issuance of bonds **file**  
21 **petitions regarding a decision of a county board of tax and capital**  
22 **projects review** apply to the issuance of bonds under this chapter.

23 (d) A suit to question the validity of bonds issued under this chapter  
24 or to prevent their issue and sale may not be instituted after the date set  
25 for the sale of the bonds, and the bonds are incontestable after that date.

26 SECTION 188. IC 36-9-4-48 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 48. (a) A  
28 cumulative transportation fund to provide money for the acquisition of  
29 buses and for the planning, establishment, and maintenance of routes  
30 and schedules to assist in implementing this chapter may be established  
31 under ~~IC 6-1.1-41~~ by:

- 32 (1) the legislative body of a municipality that:  
33 (A) is making grants to an urban mass transportation system;  
34 or  
35 (B) has purchased buses for operation under lease by an urban  
36 mass transportation system; or  
37 (2) the board of directors of a public transportation corporation.

38 (b) ~~In addition to other notices required under IC 6-1.1-41,~~ notices  
39 ~~of hearings under IC 6-1.1-41 must be given to the following:~~

- 40 (1) the municipal executive; for a tax levy by a municipality; and  
41 (2) the chairman of the board of directors; for a tax levy by a  
42 public transportation corporation.

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(c) (b) A tax levy to finance the cumulative transportation fund may be levied, in compliance with IC 6-1.1-41, subject to IC 6-1.1-17.5. For property taxes first due and payable before 2010, the tax levied under this section may not exceed six and sixty-seven hundredths cents (\$0.0667) on each one hundred dollars (\$100) of taxable property within the corporate boundaries of the municipality or the taxing district of the public transportation corporation, as the case may be. For property taxes first due and payable after 2009, the levy under this subsection is subject to the unit's maximum permissible property tax rate under IC 6-1.1-18.5.

SECTION 189. IC 36-9-13-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 25. (a) A lease under section 23 of this chapter may give one (1) or more of the lessees acting jointly or severally an option to purchase before the expiration of the term of the lease:

(1) on the date or dates in each year that are fixed by the lease; and

(2) at a price to be computed by a method set forth in the lease.

However, such a lease may not provide, or be construed to provide, that an eligible entity is under an obligation to purchase the leased government building or system or is under an obligation respecting any creditors or bondholders of the authority.

(b) Subject to IC 6-1.1-17.5, an eligible entity that exercises an option to purchase may issue general obligation bonds for the purpose of obtaining enough money to pay the purchase price or its proportionate share of the purchase price. The bonds shall be authorized, issued, and sold in the manner prescribed by law for the authorization, issuance, and sale of bonds of the eligible entity for other purposes.

SECTION 190. IC 36-9-13-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 28. (a) If the terms and conditions of a proposed lease are approved under section 27 of this chapter, notice of the approval of the lease shall be given on behalf of the eligible entity by publication in accordance with IC 5-3-1. Ten (10) or more taxpayers in the eligible entity:

(1) whose tax rate will be affected by the proposed lease; and

(2) who are of the opinion that there is no necessity for the lease, or that the method of determining the lease rental is not fair and reasonable;

may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the approval of the lease. The petition must set forth their objections to the lease and facts showing

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that the lease is unnecessary or unwise, or that the method of determining the lease rental is not fair and reasonable.

(b) Upon the filing of a petition under subsection (a), the county auditor shall immediately certify a copy of it, together with any other data necessary to present the questions involved, to the department of local government finance. Not less than five (5) nor more than fifteen (15) days after receipt of the certified petition and data, the department of local government finance shall fix a time and place in the county for the hearing of the matter. The department of local government finance shall give notice of the hearing to the eligible entity and to the first ten (10) petitioners on the petition by registered mail, at least five (5) days before the date of the hearing.

(c) The decision of the department of local government finance on a petition under this section is final.

~~(d)~~ (b) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be instituted within thirty (30) days after publication of notice of the approval of the lease, or if an appeal has been taken to the department of local government finance, **within a remonstrance petition is filed under IC 6-1.1-17.5-16, not later than thirty (30) days after the decision of the department. deadline for filing a counterpetition under IC 6-1.1-17.5-17.**

SECTION 191. IC 36-9-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) A cumulative building fund to provide money for the construction, remodeling, and repair of courthouses may be established by the county legislative body. ~~under IC 6-1.1-41.~~

(b) As used in this section, "courthouse" includes a historical complex consisting of a former county courthouse, jail, and sheriff's residence which is open to the general public for educational or community purposes in a county having a population of more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000).

SECTION 192. IC 36-9-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. **Subject to IC 6-1.1-17.5 and IC 6-1.1-18.5,** the county fiscal body may provide money for the cumulative building fund by levying a tax ~~in compliance with IC 6-1.1-41~~ of not more than sixteen and sixty-seven hundredths cents (\$0.1667) on each one hundred dollars (\$100) of taxable property in the county.

SECTION 193. IC 36-9-14.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. The county

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legislative body may establish a cumulative capital development fund ~~under IC 6-1.1-41~~ to provide money for any purpose for which property taxes may be imposed within the county under the authority of:

IC 3-11-6-9;  
 IC 8-16-3;  
 IC 8-16-3.1;  
 IC 8-22-3-25;  
 IC 14-27-6-48;  
 IC 14-33-14;  
 IC 16-22-8-41;  
 IC 16-22-5-2 through IC 16-22-5-15;  
 IC 36-9-14;  
 IC 36-9-15;  
 IC 36-9-16-2;  
 IC 36-9-16-3;  
 IC 36-9-27-100; or  
 IC 36-10-3-21.

SECTION 194. IC 36-9-14.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) Except as provided in subsection (c) **and subject to IC 6-1.1-17.5**, the county fiscal body may provide money for the cumulative capital development fund by levying a tax ~~in compliance with IC 6-1.1-41~~ on the taxable property in the county.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year **before 2010** in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.05
1 or more	\$0.10

(c) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year **before 2010** in a county in which neither the county option income tax nor the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED
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1 VALUATION  
2 0 \$0.04  
3 1 or more \$0.07  
4 **(d) For property taxes first due and payable after 2009, the levy**  
5 **under this section is subject to the county's maximum permissible**  
6 **property tax rate under IC 6-1.1-18.5.**  
7 SECTION 195. IC 36-9-15-2 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) A county  
9 fiscal body may establish cumulative building funds ~~under IC 6-1.1-41~~  
10 or sinking funds in the same manner as cumulative funds are  
11 established ~~under IC 6-1.1-41~~ for the:  
12 (1) construction, repair, remodeling, enlarging, and equipment of:  
13 (A) a county jail; or  
14 (B) a juvenile detention center to be operated under  
15 IC 31-31-9; or  
16 (2) in a county having a consolidated city, purchase, lease, or  
17 payment of all or part of the purchase price of motor vehicles for  
18 use of the sheriff's department.  
19 (b) **Subject to IC 6-1.1-17.5 and IC 6-1.1-18.5**, the county fiscal  
20 body may levy taxes to provide money for:  
21 (1) cumulative building funds established under this chapter; ~~in~~  
22 ~~compliance with IC 6-1.1-41~~; or  
23 (2) sinking funds established under this chapter in the same  
24 manner a tax is levied for a cumulative fund. ~~under IC 6-1.1-41.~~  
25 ~~(c) IC 6-1.1-41 applies to a sinking fund under this chapter to the~~  
26 ~~same extent as if the sinking fund was a cumulative fund.~~  
27 SECTION 196. IC 36-9-15.5-2 IS AMENDED TO READ AS  
28 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. The legislative  
29 body of a municipality may establish a cumulative capital development  
30 fund ~~under IC 6-1.1-41~~ to provide money for any purpose for which  
31 property taxes may be imposed within the municipality under the  
32 authority of:  
33 IC 8-16-3;  
34 IC 8-22-3-25;  
35 IC 14-27-6-48;  
36 IC 14-33-14;  
37 IC 16-23-1-40;  
38 IC 36-8-14;  
39 IC 36-9-4-48;  
40 IC 36-9-16-2;  
41 IC 36-9-16-3;  
42 IC 36-9-16.5;

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IC 36-9-17;  
 IC 36-9-26;  
 IC 36-9-27-100;  
 IC 36-10-3-21; or  
 IC 36-10-4-36.

SECTION 197. IC 36-9-15.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) Except as provided in subsection (c) **and subject to IC 6-1.1-17.5**, the municipal fiscal body may provide money for the cumulative capital development fund by levying a tax ~~in compliance with IC 6-1.1-41~~ on the taxable property in the municipality.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year **before 2010** in a municipality that is either wholly or partially located in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year depends upon the number of years the municipality has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.05
1	\$0.10
2 or more	\$0.15

(c) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year **before 2010** in a municipality that is wholly located in a county in which neither the county option income tax nor the county adjusted gross income tax is in effect on January 1 of that year depends upon the number of years the municipality has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	\$0.04
1	\$0.08
2 or more	\$0.12

**(d) For property taxes first due and payable after 2009, the levy under this section is subject to the municipality's maximum permissible property tax rate under IC 6-1.1-18.5.**

SECTION 198. IC 36-9-16-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) A

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1 cumulative building fund or cumulative capital improvement fund may  
2 be established by a resolution that is

3 (1) adopted by the unit's legislative body. ~~and~~

4 (2) ~~approved by the department of local government finance;~~

5 (b) Notice of the proposed levy to provide money for the cumulative  
6 building fund or cumulative capital improvement fund shall be given  
7 to all taxpayers in the unit before the proposed action is ~~presented to~~  
8 ~~the department of local government finance for approval:~~ **adopted.**  
9 Notice shall be given by publication of the proposal in accordance with  
10 IC 5-3-1.

11 (c) ~~If, after the public hearing, the proposed action is submitted for~~  
12 ~~approval to the department of local government finance; the department~~  
13 ~~shall require notice of that submission to be given to the taxing district~~  
14 ~~involved in the manner prescribed by subsection (b):~~

15 (d) Fifty (50) or more taxpayers in the taxing district who will be  
16 affected by the tax rate may, not later than ten (10) days after the  
17 publication of the notice, file with the county auditor a petition setting  
18 forth their objections to the proposed levy. The county auditor shall  
19 immediately certify the petition to the department of local government  
20 finance; which, within a reasonable time, shall fix a date for a hearing  
21 on the petition. The hearing shall be held in the county in which the  
22 unit is located. Notice of the hearing shall be given to the executive of  
23 the unit and to the first ten (10) taxpayers whose names appear upon  
24 the petition, by a letter signed by the commissioner or deputy  
25 commissioner of the department of local government finance and sent  
26 by mail to the executive and the taxpayers at their usual place of  
27 residence at least five (5) days before the date fixed for the hearing.

28 (e) ~~After a hearing upon the proposal, the department of local~~  
29 ~~government finance shall certify its approval, disapproval, or~~  
30 ~~modification of the proposed tax levy to the auditor of the county in~~  
31 ~~which the unit is located:~~

32 (f) ~~A:~~

33 (1) taxpayer who signed a petition filed under subsection (d); or

34 (2) unit against which a petition under subsection (d) is filed;

35 may petition for judicial review of the final determination of the  
36 department of local government finance under subsection (a). The  
37 petition must be filed in the tax court not more than forty-five (45) days  
38 after the department certifies its action under subsection (e):

39 SECTION 199. IC 36-9-16-5 IS AMENDED TO READ AS  
40 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) The unit's  
41 fiscal body may levy a tax **for taxes first due and payable before**  
42 **2010** not to exceed thirty-three cents (\$0.33) on each one hundred

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dollars (\$100) of taxable property within the taxing district to provide for a cumulative building fund, **subject to IC 6-1.1-17.5**. The tax may be levied annually for any period not to exceed ten (10) years. **For property taxes first due and payable after 2009, the levy under this subsection is subject to the unit's maximum permissible property tax rate under IC 6-1.1-18.5.**

(b) Appropriations may be made from the cumulative building fund for the purposes authorized by this chapter.

SECTION 200. IC 36-9-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) **Subject to IC 6-1.1-17.5**, the unit's fiscal body may levy a tax **for property taxes first due and payable before 2010** not to exceed thirty-three cents (\$0.33) on each one hundred dollars (\$100) of taxable property within the taxing district to provide for a cumulative capital improvement fund. The tax may be levied annually for any period not to exceed ten (10) years and may be decreased or increased from year to year. ~~except that the tax may not be increased above the levy approved by the department of local government finance.~~ **For property taxes first due and payable after 2009, the levy under this subsection is subject to the county's maximum permissible property tax rate under IC 6-1.1-18.5.**

(b) Surplus money in other accounts of the unit, or other sources, and money acquired from other activities of the unit, or other sources, may, by resolution of the legislative body, ~~and with the approval of the department of local government finance~~, be added to the cumulative capital improvement fund.

(c) Appropriations may be made:

- (1) as provided by law from the cumulative capital improvement fund for purposes of this chapter; or
- (2) for a contribution to an authority established under IC 36-7-23.

SECTION 201. IC 36-9-17-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. A municipality may, by ordinance, ~~and in compliance with the procedures for the establishment of a cumulative fund under IC 6-1.1-41~~, establish a general improvement fund, which shall be used to construct, repair, or improve streets, alleys, sidewalks, curbs, gutters, and sewers. This fund consists of:

- (1) the special assessments collected under this chapter for benefits to property from constructing, repairing, or improving streets, alleys, sidewalks, curbs, gutters, and sewers; and
- (2) any appropriation made from the general fund of the

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1 municipality or from taxes levied by the municipal legislative  
2 body for these purposes.

3 However, special assessments collected by a municipality under any  
4 statute other than this chapter may not be deposited in the fund.

5 SECTION 202. IC 36-9-17-5 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) Subject to  
7 tax limitations and to the review of appropriations and tax levies, the  
8 legislative body of a municipality that establishes a general  
9 improvement fund may appropriate money from the general fund of the  
10 municipality and transfer that money to the general improvement fund  
11 or levy a tax **subject to IC 6-1.1-17.5 and IC 6-1.1-18.5** for the  
12 benefit and use of the general improvement fund, ~~in compliance with~~  
13 ~~the procedures for a levy for a cumulative fund under IC 6-1.1-41,~~ or  
14 both.

15 (b) During the year in which a municipality establishes a general  
16 improvement fund, the municipal legislative body may make an  
17 emergency appropriation from the general fund of the municipality and  
18 transfer that appropriation to the general improvement fund in the  
19 manner prescribed by statute for the making of emergency  
20 appropriations.

21 (c) Any sum may be appropriated or levied under this section in any  
22 one (1) year, but the aggregate sum that may be appropriated and levied  
23 under this section, including emergency appropriations under  
24 subsection (b), may not exceed the equivalent of sixteen and  
25 sixty-seven hundredths cents (\$0.1667) on each one hundred dollars  
26 (\$100) net taxable valuation of property in the municipality.

27 SECTION 203. IC 36-9-17.5-2 IS AMENDED TO READ AS  
28 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. A township  
29 may establish a cumulative township vehicle and building fund ~~under~~  
30 ~~IC 6-1.1-41~~ to provide money to:

- 31 (1) acquire township vehicles;
- 32 (2) purchase, construct, equip, and maintain buildings for public  
33 purposes;
- 34 (3) acquire the land and any improvements on the land that are  
35 necessary for the construction of public buildings;
- 36 (4) demolish any improvements on land acquired under this  
37 section and level, grade, and prepare the land for the construction  
38 of a public building;
- 39 (5) acquire land or rights-of-way to be used as a public way or  
40 other means of ingress or egress to land acquired for the  
41 construction of a public building; and
- 42 (6) improve or construct any public way or other means of ingress

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or egress to land acquired for the construction of a public building.

SECTION 204. IC 36-9-17.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) To provide for the cumulative township vehicle and building fund authorized under this chapter, the legislative body of a township may levy a tax on all taxable property within the township, ~~in compliance with IC 6-1.1-41,~~ **subject to IC 6-1.1-17.5. For property taxes first due and payable before 2010,** the tax rate may not exceed ~~five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation of property in the township for property taxes first due and payable before January 1, 2002, or one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of assessed valuation of property in the township. for property taxes first due and payable after December 31, 2001.~~ **For property taxes first due and payable after 2009, the levy under this subsection is subject to the township's maximum permissible property tax rate under IC 6-1.1-18.5.**

(b) As the tax is collected, it shall be deposited in a qualified public depository or depositories and held in a special fund known as the cumulative township vehicle and building fund.

SECTION 205. IC 36-9-26-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) A municipality may, by ordinance, establish a cumulative building and sinking fund ~~under IC 6-1.1-41~~ to provide money for one (1) or more of the following purposes:

- (1) The planning, erection, remodeling, extension, and repair of sewage disposal plants and sewers to convey sanitary sewage to those plants.
- (2) The construction, remodeling, repair, and extension of storm sewers.
- (3) Relief sewers and drains in aid of the sanitary system or storm sewers.
- (4) The payment of the municipality's part of the costs of any public sewer or drainage project that:
  - (A) lies partly or wholly within the municipality; and
  - (B) aids or is connected to the sewage collection or drainage system of the municipality.
- (5) The payment of the part of any project that is allocable to property owners by special assessment under IC 36-9-39, for repayment to the cumulative building and sinking fund.

(b) The statement for repayment under subsection (a)(5) shall be mailed to the property owner separately from the property tax

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statement.

SECTION 206. IC 36-9-26-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. **Subject to IC 6-1.1-17.5**, a municipality that has established a cumulative building and sinking fund may levy a tax ~~in compliance with IC 6-1.1-41~~ **for property taxes first due and payable before 2010** not to exceed one dollar (\$1) on each one hundred dollars (\$100) of taxable property in the municipality. **For property taxes first due and payable after 2009, the levy under this section is subject to the municipality's maximum permissible property tax rate under IC 6-1.1-18.5.**

SECTION 207. IC 36-9-27-99 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 99. A municipal or county fiscal body may, by resolution, establish a cumulative drainage fund ~~under IC 6-1.1-41~~ for the construction, reconstruction, or maintenance of drains under this chapter. In the case of a county, however, the fund may be established only upon the recommendation of the county executive.

SECTION 208. IC 36-9-27-100 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 100. To provide money for a cumulative drainage fund established under section 99 of this chapter **and subject to IC 6-1.1-17.5**, the fiscal body may levy a tax ~~in compliance with IC 6-1.1-41~~ **for property taxes first due and payable before 2010** not to exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation of all taxable personal and real property:

- (1) within the corporate boundaries, in the case of a municipality; or
- (2) within the county but outside the corporate boundaries of all municipalities, in the case of a county.

**For property taxes first due and payable after 2009, the levy under this subsection is subject to the county's maximum permissible property tax rate under IC 6-1.1-18.5.**

SECTION 209. IC 36-10-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 21. (a) The board may establish a cumulative building fund ~~under IC 6-1.1-41~~ to provide money for:

- (1) building, remodeling, and repair of park and recreation facilities; or
- (2) purchase of land for park and recreation purposes.

~~In addition to the requirements of IC 6-1.1-41,~~ Before a fund may be established, the proposed action must be approved by the fiscal body

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1 of the unit.

2 (b) To provide for the cumulative building fund **and subject to**  
 3 **IC 6-1.1-17.5**, the unit's fiscal body may levy a tax ~~in compliance with~~  
 4 ~~IC 6-1.1-41~~ **for property taxes first due and payable before 2010** not  
 5 to exceed one and sixty-seven hundredths cents (\$0.0167) on each one  
 6 hundred dollars (\$100) of assessed valuation of taxable property within  
 7 the unit. **For property taxes first due and payable after 2009, the**  
 8 **levy under this subsection is subject to the unit's maximum**  
 9 **permissible property tax rate under IC 6-1.1-18.5.**

10 (c) The tax shall be collected and held in a special fund known as  
 11 the unit's park and recreation cumulative building fund.

12 SECTION 210. IC 36-10-3-24, AS AMENDED BY P.L.219-2007,  
 13 SECTION 144, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE JANUARY 1, 2009]: Sec. 24. (a) In order to raise money  
 15 to pay for land to be acquired for any of the purposes named in this  
 16 chapter, to pay for an improvement authorized by this chapter, or both,  
 17 and in anticipation of the special benefit tax to be levied as provided in  
 18 this chapter, the board shall cause to be issued, in the name of the unit,  
 19 the bonds of the district. The bonds may not exceed in amount the total  
 20 cost of all land to be acquired and all improvements described in the  
 21 resolution, including all expenses necessarily incurred in connection  
 22 with the proceedings, together with a sum sufficient to pay the costs of  
 23 supervision and inspection during the period of construction of a work.  
 24 The expenses to be covered in the bond issue include all expenses of  
 25 every kind actually incurred preliminary to acquiring the land and the  
 26 construction of the work, such as the cost of the necessary record,  
 27 engineering expenses, publication of notices, preparation of bonds, and  
 28 other necessary expenses. If more than one (1) resolution or proceeding  
 29 of the board under section 23 of this chapter is confirmed whereby  
 30 different parcels of land are to be acquired, or more than one (1)  
 31 contract for work is let by the board at approximately the same time,  
 32 the cost involved under all of the resolutions and proceedings may be  
 33 included in one (1) issue of bonds.

34 (b) The bonds may be issued in any denomination not less than one  
 35 thousand dollars (\$1,000) each, in not less than five (5) nor more than  
 36 forty (40) annual series. The bonds are payable one (1) series each  
 37 year, beginning at a date after the receipt of taxes from a levy made for  
 38 that purpose. The bonds are negotiable. The bonds may bear interest at  
 39 any rate, payable semiannually. After adopting a resolution ordering  
 40 bonds, the board shall certify a copy of the resolution to the unit's fiscal  
 41 officer. The fiscal officer shall prepare the bonds and the unit's  
 42 executive shall execute them, attested by the fiscal officer.

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(c) The bonds and the interest on them are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1, ~~and IC 6-1.1-20~~ **IC 6-1.1-17.5, and IC 6-1.1-18-5** relating to the filing of a petition requesting the issuance of bonds; the right of taxpayers and voters to remonstrate against the issuance of bonds; **file petitions regarding a decision of the county board of tax and capital projects review**, the appropriation of the proceeds of the bonds, ~~and approval by the department of local government finance~~, and the sale of bonds at public sale for not less than their par value.

(d) The board may not have bonds of the district issued under this section that are payable by special taxation when the total issue for that purpose, including the bonds already issued or to be issued, exceeds two percent (2%) of the adjusted value of the taxable property in the district as determined under IC 36-1-15. All bonds or obligations issued in violation of this subsection are void. The bonds are not obligations or indebtedness of the unit, but constitute an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all the property of the district as prescribed by this chapter. The bonds must recite the terms upon their face, together with the purposes for which they are issued.

SECTION 211. IC 36-10-3-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 42. (a) The board shall hold a hearing as required by section 25 of this chapter. The board shall appropriate the proceeds of the bonds as required by law for special taxing district bonds.

(b) ~~IC 6-1.1-20-1, IC 6-1.1-20-2, and IC 6-1.1-20-5~~ **apply IC 6-1.1-17.5 applies** to the issuance of the bonds.

(c) The bonds may be sold at public sale in accordance with IC 5-1-11 or may be sold at a negotiated sale.

SECTION 212. IC 36-10-4-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 35. (a) In order to pay for:

- (1) land to be acquired for any of the purposes of this chapter;
- (2) an improvement authorized by this chapter; or
- (3) both;

the board shall issue the bonds of the district in the name of the city in anticipation of the special benefits tax to be levied under this chapter. The amount of the bonds may not exceed the estimated cost of all land to be acquired and the estimated cost of all improvements provided in the resolution, including all expenses necessarily incurred in the proceedings and a sum sufficient to pay the estimated costs of

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supervision and inspection during the period of construction. Expenses include all expenses actually incurred preliminary to acquisition of the land and the construction work, such as the estimated cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other expenses necessary to letting the contract and selling the bonds.

(b) The total amount of any benefits that have been assessed by the board and confirmed against lots and parcels of land, exclusive of improvements, lying within two thousand (2,000) feet on either side of the land to be acquired or of the improvement, however, shall be deducted from the estimated cost.

(c) If more than one (1) resolution or proceeding of the board under section 25 of this chapter is confirmed whereby different parcels of land are to be acquired or more than one (1) contract for work is let by the board at approximately the same time, the estimated cost involved under all of the resolutions and proceedings may be contained in one (1) issue of bonds.

(d) The bonds shall be issued in any denomination up to five thousand dollars (\$5,000) each. The bonds are negotiable instruments and bear interest at a rate established by the board and approved by the city legislative body.

(e) After adopting a resolution ordering the bonds, the board shall certify a copy of the resolution to the fiscal officer of the city. The fiscal officer shall then prepare the bonds, which shall be executed by the city executive and attested by the fiscal officer. The bonds are exempt from taxation for all purposes and are subject to ~~IC 6-1.1-20~~ **IC 6-1.1-17.5** concerning the filing of a petition requesting the issuance of bonds, and the right of ~~taxpayers~~ **voters** to remonstrate ~~against the issuance of bonds.~~ **file petitions regarding a decision of the county board of tax and capital projects review.**

(f) All bonds shall be sold at not less than par value plus accrued interest to date of delivery by the city fiscal officer to the highest bidder after giving notice of the sale of the bonds by publication in accordance with IC 5-3-1.

(g) The bonds are subject to approval by the city legislative body, in the manner it prescribes by ordinance or resolution.

(h) The bonds are not corporate obligations or indebtedness of the city, but are an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all property of the district. The bonds must recite these terms upon their face, together with the purposes for which they are issued.

(i) An action to question the validity of bonds of the district or to

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1 prevent their issue may not be brought after the date set for the sale of  
2 the bonds.

3 (j) The board may, instead of selling the bonds in series, sell the  
4 bonds to run for a period of five (5) years from the date of issue for the  
5 purposes of this chapter at any rate of interest payable semiannually,  
6 also exempt from taxation for all purposes. The board may sell bonds  
7 in series to refund the five (5) year bonds.

8 SECTION 213. IC 36-10-4-36 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 36. (a) To raise  
10 money for any of the purposes for which bonds may be issued under  
11 section 35 of this chapter, the board may request that the city legislative  
12 body adopt an ordinance establishing a cumulative building and  
13 sinking fund. The legislative body may establish a cumulative building  
14 and sinking fund. ~~under IC 6-1.1-41.~~ **Subject to IC 6-1.1-17.5, the tax**  
15 **for property taxes first due and payable before 2010** may not exceed  
16 three and thirty-three hundredths cents (\$0.0333) on each one hundred  
17 dollars (\$100) of taxable personal and real property in the district. **For**  
18 **property taxes first due and payable after 2009, the levy under this**  
19 **subsection is subject to the city's maximum permissible property**  
20 **tax rate under IC 6-1.1-18.5.**

21 (b) The tax, when collected, shall be held in a public depository in  
22 a special fund to be known as the park district cumulative building and  
23 sinking fund.

24 SECTION 214. IC 36-10-7-8 IS AMENDED TO READ AS  
25 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) This section  
26 applies to all townships having a population of less than two thousand  
27 (2,000).

28 (b) The township executive may lease, purchase, accept by grant,  
29 devise, bequest, or other conveyance to the township, or otherwise  
30 acquire land for park purposes and may make necessary improvements  
31 only as provided by this section.

32 (c) The legislative body may establish a township park and may, by  
33 resolution, appropriate from the general fund of the township the  
34 necessary money to lease, purchase, accept, or otherwise acquire land  
35 for park purposes or make improvements thereon. The executive shall  
36 then lease, purchase, accept, or acquire the land for park purposes or  
37 shall make improvements thereon as directed in the resolution.  
38 However, the costs of the park grounds or of the improvements  
39 provided for in the resolution may not exceed in one (1) year one-fifth  
40 of one percent (0.2%) of the adjusted value of all taxable property of  
41 the township as determined under IC 36-1-15.

42 (d) If a park has been established under this section, the executive

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1 shall have the park maintained and may make improvements and  
 2 construct and maintain facilities for the comfort and convenience of the  
 3 public. However, the executive annually may not spend more than one  
 4 cent (\$0.01) on each one hundred dollars (\$100) of assessed valuation  
 5 of taxable property in the township as it appears on the tax duplicates  
 6 of the auditor of the county in which the township is located. The  
 7 money shall be paid from the general fund of the township.

8 (e) If the general fund of the township is insufficient to meet the  
 9 expenses of acquiring or improving the land for park purposes, the  
 10 executive shall call a special meeting of the legislative body by written  
 11 notice to each member of the legislative body at least three (3) days  
 12 before the date of the meeting. The notice must state the time, place,  
 13 and purpose of the meeting. The legislative body shall meet and  
 14 determine whether an emergency exists for the issuance of the warrants  
 15 or bonds of the township. The legislative body shall, by resolution,  
 16 authorize the issuance and sale of the warrants or bonds of the  
 17 township in an amount not exceeding two percent (2%) of the adjusted  
 18 value of all taxable property in the township as determined under  
 19 IC 36-1-15. The amount of bonds may not exceed the total estimated  
 20 cost of all land to be acquired and all improvements described in the  
 21 resolution, including all expenses necessarily incurred in connection  
 22 with the proceedings. The proceeds from the sale of the bonds shall be  
 23 deposited in the general fund of the township. The bonds become due  
 24 and payable not less than two (2) nor more than ten (10) years after the  
 25 date of issuance, may bear interest at any rate, and may not be sold for  
 26 less than par value. The bonds shall be sold after giving notice of the  
 27 sale of bonds in accordance with IC 5-3-1. The bonds and the interest  
 28 thereon are exempt from taxation as provided by IC 6-8-5. ~~and are~~  
 29 ~~subject to the provisions of IC 6-1-1-20 relating to the filing of a~~  
 30 ~~petition requesting the issuance of bonds; the appropriation of the~~  
 31 ~~proceeds of the bonds; and the approval by the department of local~~  
 32 ~~government finance.~~

33 (f) The legislative body shall, at its next annual meeting after  
 34 authorization of bonds and annually each following year, levy a  
 35 sufficient tax against all the taxable property of the township to pay the  
 36 principal of the bonds, together with accruing interest, as they become  
 37 due. The executive shall apply the money received from the levy only  
 38 to the payment of bonds and interest as they become due.

39 (g) In addition to the levy required by subsection (f), the legislative  
 40 body shall, when a park has been established under this section and at  
 41 every annual meeting after establishment, levy a tax not exceeding one  
 42 cent (\$0.01) on each one hundred dollars (\$100) of taxable property in

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the township. The levy required by this subsection shall be used by the executive for the maintenance and improvement of the park. The executive may not expend more for maintenance and improvement of the park than the amount collected by the levy except:

- (1) upon petition by fifty-one percent (51%) of the taxpayers of the township; or
- (2) when warrants or bonds are to be issued under this section to finance the expenses of improvements.

The amount received from the levy shall be deposited in the general fund of the township.

(h) A park established under this section shall be kept open to the public in accordance with rules prescribed by the executive.

(i) If the executive determines that land or other property used for park purposes under this section should be disposed of and that the park should no longer be maintained, the executive shall appoint three (3) disinterested appraisers to appraise the property. The property shall then be disposed of either at public or private sale for at least its appraised value.

(j) This subsection applies if the township sells the property by acceptance of bids. A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

- (1) beneficiary of the trust; and
- (2) settlor empowered to revoke or modify the trust.

(k) All money from the sale of park property, less the expenses incurred in making the appraisal and sale, shall be paid into the general fund of the township.

SECTION 215. IC 36-10-7.5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. (a) The fiscal body may establish a cumulative building fund ~~under IC 6-1.1-41~~ to provide money for:

- (1) building, remodeling, and repair of park and recreation facilities; or
- (2) purchase of land for park and recreation purposes.

(b) To provide for the cumulative building fund **and subject to IC 6-1.1-17.5**, the township fiscal body may levy a tax ~~in compliance with IC 6-1.1-41~~ **for property taxes first due and payable before 2010** not greater than one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of assessed valuation of taxable property within the township. **For property taxes first due and payable after 2009, the levy under this subsection is subject to the township's maximum permissible property tax rate under IC 6-1.1-18.5.**

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(c) The tax shall be collected and held in a special fund known as the township park and recreation cumulative building fund.

SECTION 216. IC 36-10-7.5-22, AS AMENDED BY P.L.219-2007, SECTION 145, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22. (a) To raise money to pay for land to be acquired for any of the purposes named in this chapter or to pay for an improvement authorized by this chapter, and in anticipation of the special benefit tax to be levied as provided in this chapter, the legislative body shall issue in the name of the township the bonds of the district. The bonds may not exceed in amount the total cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings, together with a sum sufficient to pay the costs of supervision and inspection during the period of construction of a work. The expenses to be covered in the bond issue include all expenses of every kind actually incurred preliminary to acquiring the land and the construction of the work, such as the cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other necessary expenses. If more than one (1) resolution or proceeding of the legislative body under this chapter is confirmed whereby different parcels of land are to be acquired or more than one (1) contract for work is let by the executive at approximately the same time, the cost involved under all of the resolutions and proceedings may be included in one (1) issue of bonds.

(b) The bonds may be issued in any denomination not less than one thousand dollars (\$1,000) each, in not less than five (5) nor more than forty (40) annual series. The bonds are payable one (1) series each year, beginning at a date after the receipt of taxes from a levy made for that purpose. The bonds are negotiable. The bonds may bear interest at any rate, payable semiannually. After adopting a resolution ordering bonds, the legislative body shall certify a copy of the resolution to the township's fiscal officer. The fiscal officer shall prepare the bonds and the executive shall execute the bonds, attested by the fiscal officer.

(c) The bonds and the interest on the bonds are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and ~~IC 6-1.1-20~~ **IC 6-1.1-17.5** relating to the filing of a petition requesting the issuance of bonds the right of taxpayers and voters to remonstrate against the issuance of bonds, the appropriation of the proceeds of the bonds with the approval of the department of local government finance; **voters to file petitions regarding a decision of the county board of tax and capital projects review** and the sale of bonds at public sale for not less than the par

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1 value of the bonds.

2 (d) The legislative body may not have bonds of the district issued  
3 under this section that are payable by special taxation when the total  
4 issue for that purpose, including the bonds already issued or to be  
5 issued, exceeds two percent (2%) of the total adjusted value of the  
6 taxable property in the district as determined under IC 36-1-15. All  
7 bonds or obligations issued in violation of this subsection are void. The  
8 bonds are not obligations or indebtedness of the township but constitute  
9 an indebtedness of the district as a special taxing district. The bonds  
10 and interest are payable only out of a special tax levied upon all the  
11 property of the district as prescribed by this chapter. A bond must  
12 recite the terms upon the face of the bond, together with the purposes  
13 for which the bond is issued.

14 SECTION 217. IC 36-10-8-16, AS AMENDED BY P.L.219-2007,  
15 SECTION 146, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) A capital improvement  
17 may be financed in whole or in part by the issuance of general  
18 obligation bonds of the county or, if the authority was created under  
19 IC 18-7-18 (before its repeal on February 24, 1982), also of the city, if  
20 the board determines that the estimated annual net income of the  
21 capital improvement, plus the estimated annual tax revenues to be  
22 derived from any tax revenues made available for this purpose, will not  
23 be sufficient to satisfy and pay the principal of and interest on all bonds  
24 issued under this chapter, including the bonds then proposed to be  
25 issued.

26 (b) If the board desires to finance a capital improvement in whole  
27 or in part as provided in this section, it shall have prepared a resolution  
28 to be adopted by the county executive authorizing the issuance of  
29 general obligation bonds, or, if the authority was created under  
30 IC 18-7-18 (before its repeal on February 24, 1982), by the fiscal body  
31 of the city authorizing the issuance of general obligation bonds. The  
32 resolution must set forth an itemization of the funds and assets received  
33 by the board, together with the board's valuation and certification of the  
34 cost. The resolution must state the date or dates on which the principal  
35 of the bonds is payable, the maximum interest rate to be paid, and the  
36 other terms upon which the bonds shall be issued. The board shall  
37 submit the proposed resolution to the proper officers, together with a  
38 certificate to the effect that the issuance of bonds in accordance with  
39 the resolution will be in compliance with this section. The certificate  
40 must also state the estimated annual net income of the capital  
41 improvement to be financed by the bonds, the estimated annual tax  
42 revenues, and the maximum amount payable in any year as principal

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and interest on the bonds issued under this chapter, including the bonds proposed to be issued, as the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate, the proper officers may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

~~(1) the filing of a petition requesting the issuance of bonds and giving notice;~~

~~(2) (1) the right of taxpayers and voters to remonstrate against the issuance of bonds; file petitions regarding a decision of the county board of tax and capital projects review under IC 6-1.1-17.5;~~

~~(3) the giving of notice of the determination to issue bonds;~~

~~(4) (2) the giving of notice of a hearing on the appropriation of the proceeds of bonds;~~

~~(5) (3) the right of taxpayers to appear and be heard on the proposed appropriation;~~

~~(6) the approval of the appropriation by the department of local government finance; and~~

~~(7) (4) the sale of bonds at public sale;~~

apply to the issuance of bonds under this section.

SECTION 218. IC 36-10-9-15, AS AMENDED BY P.L.219-2007, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the board of commissioners of the county authorizing the issuance of general obligation bonds. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the board of commissioners of the county, together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the

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1 maximum amount payable in any year as principal and interest on the  
 2 bonds issued under this chapter, including the bonds proposed to be  
 3 issued, at the maximum interest rate set forth in the resolution. The  
 4 bonds issued may mature over a period not exceeding forty (40) years  
 5 from the date of issue.

6 (c) Upon receipt of the resolution and certificate, the board of  
 7 commissioners of the county may adopt them and take all action  
 8 necessary to issue the bonds in accordance with the resolution. An  
 9 action to contest the validity of bonds issued under this section may not  
 10 be brought after the fifteenth day following the receipt of bids for the  
 11 bonds.

12 (d) The provisions of all general statutes relating to:

13 ~~(1) the filing of a petition requesting the issuance of bonds and~~  
 14 ~~giving notice;~~

15 ~~(2) the right of taxpayers and voters to remonstrate against the~~  
 16 ~~issuance of bonds;~~

17 ~~(3) (1) the giving of notice of the determination to issue bonds;~~

18 ~~(4) (2) the giving of notice of a hearing on the appropriation of the~~  
 19 ~~proceeds of bonds;~~

20 ~~(5) (3) the right of taxpayers to appear and be heard on the~~  
 21 ~~proposed appropriation;~~

22 ~~(6) the approval of the appropriation by the department of local~~  
 23 ~~government finance; and~~

24 ~~(7) (4) the sale of bonds at public sale for not less than par value;~~  
 25 ~~and~~

26 **(5) the right of voters to file petitions regarding a decision of**  
 27 **the county board of tax and capital projects review under**  
 28 **IC 6-1.1-17.5;**

29 are applicable to the issuance of bonds under this section.

30 SECTION 219. IC 36-10-10-14 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. ~~(a)~~ If the  
 32 execution of the lease is authorized, notice of the execution shall be  
 33 given on behalf of the city by publication one (1) time in a newspaper  
 34 of general circulation printed in the English language and published in  
 35 the city. Fifty ~~(50)~~ or more taxpayers in the city whose tax rate will be  
 36 affected by the proposed lease and who may be of the opinion that no  
 37 necessity exists for the execution of the lease; or that the lease rental is  
 38 not fair and reasonable; may file a petition in the office of the city clerk  
 39 within fifteen ~~(15)~~ days after publication of notice of the execution of  
 40 the lease; setting forth their objections and the facts supporting those  
 41 objections.

42 (b) Upon the filing of a petition, the city clerk shall immediately

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certify a copy, together with other data that is necessary in order to present the questions involved, to the department of local government finance. Upon receipt of a certified petition and information, the department of local government finance shall set a time and place for the hearing of the matter in the city where the petition originated. The hearing shall be held at least five (5) but not more than fifteen (15) days after receipt of the petition by the department of local government finance. Notice of the hearing shall be given by the department of local government finance to the city executive and to the first ten (10) taxpayer petitioners on the petition by certified mail sent to the addresses listed on the petition at least five (5) days before the date of the hearing. After the hearing, the department of local government finance shall promptly issue its decision on the petition.

SECTION 220. IC 36-10-10-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. An action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease may not be brought at any time later than fifteen (15) days after publication of notice of the execution of the lease, or if an appeal has been taken to the department of local government finance, a remonstrance petition is filed under IC 6-1.1-17.5-16, then fifteen (15) days after the decision of the department: **deadline for filing a counterpetition under IC 6-1.1-17.5-17.**

SECTION 221. IC 36-10-11-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) The lease shall be executed on behalf of the governmental entity by an officer authorized by law to execute contracts for the entity and on behalf of the authority by both the president or vice president of the board and the secretary of the board of directors.

(b) Notice of the execution of the lease shall be given by the governmental entity by publication as provided in IC 5-3-1.

(c) A lease may not be executed with annual lease rental exceeding an aggregate of two hundred seventy-five thousand dollars (\$275,000) unless the fiscal body of the lessee governmental entity finds that the estimated annual net income to the lessee governmental entity from the civic center, plus any other nonproperty tax funds made available annually for the payment of the lease rental, will not be less than the amount of the excess.

(d) The lease is subject to approval by the department of local government finance under IC 6-3-5. The lease may be executed before approval; however, if the department of local government finance does not approve the lease, it is void. The department of local government

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1 finance may not approve the lease under ~~IC 6-3.5-1.1-8~~ unless it finds  
 2 that the condition prescribed in subsection (c) is satisfied.  
 3 **IC 6-1.1-17.5.**

4 (e) All net revenues of the leased building, together with any other  
 5 funds made available for the payment of lease rental, shall be  
 6 transferred at least annually by the lessee to a fund for payment of lease  
 7 rental.

8 SECTION 222. IC 36-10-11-18 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. An action to  
 10 contest the validity of the lease or to enjoin the performance of the  
 11 lease may not be brought later than thirty (30) days after publication of  
 12 notice of the execution of the lease, or, **if a remonstrance petition is**  
 13 **filed under IC 6-1.1-17.5-16, not later than** thirty (30) days after the  
 14 ~~decision of the department of local government finance; whichever is~~  
 15 ~~later: deadline for filing a counterpetition under IC 6-1.1-17.5-17.~~

16 SECTION 223. IC 36-10-14-4, AS ADDED BY P.L.2-2006,  
 17 SECTION 197, IS AMENDED TO READ AS FOLLOWS  
 18 [EFFECTIVE JANUARY 1, 2009]: Sec. 4. ~~Subject to IC 6-1.1-18-12,~~  
 19 The board may levy a tax not exceeding sixty-seven hundredths of one  
 20 cent (\$0.0067) on each one hundred dollars (\$100) of assessed  
 21 valuation of the property in the city to create a fund to carry out this  
 22 chapter.

23 SECTION 224. IC 36-12-14-2, AS AMENDED BY P.L.224-2007,  
 24 SECTION 135, IS AMENDED TO READ AS FOLLOWS  
 25 [EFFECTIVE JANUARY 1, 2009]: Sec. 2. An appointed library board  
 26 subject to section 1 of this chapter shall submit its proposed operating  
 27 budget and property tax levy for the operating budget to the following  
 28 fiscal body at least fourteen (14) days before the first meeting of the  
 29 ~~county board of tax adjustment (before January 1, 2009) or the county~~  
 30 ~~board of tax and capital projects review: (after December 31, 2008)~~  
 31 ~~under IC 6-1.1-29-4:~~

32 (1) If the library district is located entirely within the corporate  
 33 boundaries of a municipality, the fiscal body of the municipality.

34 (2) If the library district:

35 (A) is not described by subdivision (1); and

36 (B) is located entirely within the boundaries of a township;  
 37 the fiscal body of the township.

38 (3) If the library district is not described by subdivision (1) or (2),  
 39 the fiscal body of each county in which the library district is  
 40 located.

41 SECTION 225. THE FOLLOWING ARE REPEALED  
 42 [EFFECTIVE JANUARY 1, 2009]: IC 6-1.1-17-6; IC 6-1.1-17-7;

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1 IC 6-1.1-17-8; IC 6-1.1-17-9; IC 6-1.1-17-10; IC 6-1.1-17-11;  
 2 IC 6-1.1-17-13; IC 6-1.1-17-14; IC 6-1.1-17-15; IC 6-1.1-17-16.5;  
 3 IC 6-1.1-17-16.7; IC 6-1.1-18-3; IC 6-1.1-18-12; IC 6-1.1-18-13;  
 4 IC 6-1.1-18.5-9.9; IC 6-1.1-18.5-11; IC 6-1.1-18.5-12;  
 5 IC 6-1.1-18.5-13; IC 6-1.1-18.5-13.5; IC 6-1.1-18.5-13.6;  
 6 IC 6-1.1-18.5-15; IC 6-1.1-18.5-16; IC 6-1.1-18.5-17; IC 6-1.1-18.5-18;  
 7 IC 6-1.1-18.5-19; IC 6-1.1-18.5-19.1; IC 6-1.1-18.5-20;  
 8 IC 6-1.1-18.5-21; IC 6-1.1-19-1; IC 6-1.1-19-3; IC 6-1.1-19-4.1;  
 9 IC 6-1.1-19-7; IC 6-1.1-19-13; IC 6-1.1-20; IC 6-1.1-21.7-14;  
 10 IC 6-1.1-21.9-5; IC 6-1.1-29; IC 6-1.1-29.5; IC 6-1.1-41;  
 11 IC 8-18-22-14; IC 12-13-8-4; IC 12-20-25-49; IC 16-22-6-20;  
 12 IC 20-18-2-21.5; IC 20-23-9-5; IC 20-23-9-6; IC 20-23-9-7;  
 13 IC 20-40-3; IC 20-40-10; IC 20-44-3; IC 20-45-1-3; IC 20-45-1-7;  
 14 IC 20-45-1-16; IC 20-45-2-4; IC 20-45-2-6; IC 20-45-2-4;  
 15 IC 20-45-2-6; IC 20-45-2-8; IC 20-45-4; IC 20-45-4-7; IC 20-45-5;  
 16 IC 20-45-6; IC 20-45-7; IC 20-45-8; IC 20-46-1; IC 20-46-3-8;  
 17 IC 20-46-4-8; IC 20-46-4-9; IC 20-46-4-10; IC 20-46-7-8;  
 18 IC 20-46-7-9; IC 20-46-7-10; IC 20-46-7-14; IC 36-1-12.5-5.5;  
 19 IC 36-1-15-3; IC 36-8-8.5-17; IC 36-10-11-17.

20 SECTION 226. [EFFECTIVE JULY 1, 2008] (a) **The legislative**  
 21 **services agency shall prepare legislation for introduction in the**  
 22 **2009 regular session of the general assembly to correct statutes**  
 23 **affected by this act.**

24 (b) **This SECTION expires July 1, 2009.**

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